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U.S. ADMINISTRATION REAFFIRMS SDI 'INVIOLABILITY'

PM181855 Moscow PRAVDA in Russian 19 Jun 87 First Edition p 5

[Own correspondent V. Gan dispatch: "Contrary to Common Sense"]

[Text] Washington, 18 Jun -- The Reagan administration has reaffirmed the "inviolability" of its "Star Wars" program, even if the price is total breakdown of the arms control process and destabilization of all international security. Washington's line was set out at a symposium for representatives of the State Department, the Pentagon, the Arms Control and Disarmament Agency, and the U.S. intelligence services held at the White House today.

The symposium was officially held to discuss arms control problems. But in fact it took the form of an examination of how to prevent a solution of these problems. A "senior official" of the administration, speaking on condition that he remain anonymous, disclosed that President Reagan has rejected the USSR's proposal to hold talks on what tests of ABM technology are permitted under the provisions of the Soviet-U.S. treaty.

As repeatedly reported, the military-industrial complex and its lobbyists in the Pentagon are now mounting a campaign against the USSR-U.S. ABM Treaty. The treaty does not suit them, for it specifically prohibits the testing of space weapons and the placement of them in near-Earth orbit. However, people on the Potomac, entertaining illusions of securing strategic military superiority over the USSR, are demanding that the "obstacle" in the form of the ABM Treaty be eliminated and are pressing for its "broad interpretation" to carry out full-scale tests under the SDI program.

Secretary of State Shultz was told in Moscow in April that, in the interests of curbing the arms race, the USSR is prepared to agree to ABM research that is confined to the laboratory. The Soviet side proposed holding talks between specialists from the two states to agree on a list of devices which it would be prohibited to place in space in the course of these researches. In the USSR's opinion, that is the only way to find compromise solutions.

Today this sensible proposal has met with another "no" from Washington. According to the "senior official," Reagan has concluded that "we do not want to hold talks on that kind of basis." Why? Because, he declared, "the Soviets came up with the idea of them as a method of killing the SDI program." The spokesman continued to indicate that he "sees no reasons" why the Pentagon should be prohibited from making a "broad interpretation" of the ABM Treaty. "We do not believe that there should be any restrictions on the development [razrabotka] of the SDI system," he stressed. In general, the speaker continued, "as I see it, the basic problem with arms control is that everything indicates that it has hypnotized Americans and we seem to regard it as a panacea to all our problems." That is clearly and quit frankly put.

NATO URGED TO REPLACE 'DEMAGOGUERY WITH DEEDS'

LD270539 Moscow TASS in English 0330 GMT 27 Jun 87

["Time to Take Concrete Actions" -- TASS headline]

[Text] Moscow June 26 TASS -- By TASS news analyst Leonid Ponomarev:

American General Rogers, who retires today as supreme allied commander Europe, again resorted at the official farewell party in Stuttgart on Thursday to trite statements alleging that the Warsaw Treaty states have an edge over NATO in conventional weapons and troops. Such statements are not new and were often refuted by facts showing the real correlation of force between the Warsaw Treaty and NATO. As for the convention weapons, NATO politicians and strategists simply lie alleging that Warsaw Treaty has superiority. They arbitrarily compare the strength of the army and armaments under the supreme allied commander Europe with those of the Warsaw Treaty member states.

What should be compared, however, are not units but the potentials of the two military political alliances. Then the picture will be quite different. For example, NATO countries, undoubtedly, possess greater possibilities in terms of manpower and the economic potential and have an edge as regards the capacities of the defense industry. From the military point of view, these are all important factors.

Take population, for example. It is 1.5 times greater than in the Warsaw Treaty countries. Comparing the forces of the sides, Western strategists exclude the armed forces of France and Spain. Of course, the sides have certain disproportions in the structure of the armed forces and separate elements. NATO countries have a clear edge in the number of combat-ready divisions. It has 94, including some 60 combat-ready separate brigades, against 78, 11-12,000 people strong divisions, in the Warsaw Treaty.

By comparison, American divisions have 16,000-19,000 men and West German more than 23,000. Comparisons can be continued and they will not be in favour of those who artificially understate the NATO potential.

The Soviet leadership sets the task of banishing war from the life of peoples. A real step in this direction will be the lowering of the number of troops and conventional weapons in Europe on the basis of equality and equal security of the sides. NATO leaders are in no hurry to accept relevant Soviet proposals, although it is high time they replaced demagoguery with deeds.

SOCIALIST STATES' INTEREST IN CPSU DECISIONS

LD281238 Moscow Domestic Service in Russian 0930 GMT 28 Jun 87

[Commentary by political observer Nikolay Shishlin]

[Text] There is interest in the fact that the decisions by the CPSU Central Committee Plenum have evoked a lively response in the socialist countries. But not only have the decisions by the plenum become public knowledge in the socialist countries themselves, they are now becoming the subject of deep and detailed study because those tasks with which the Soviet Union is dealing in all their uniqueness and national features do find a response in those tasks of socialist construction in which our friends are engaged. On this level the decisions by the party Central Committee -- and attention is also being paid to this -- convince our friends of the fact that the Soviet Union in undertaking steps toward accelerating economic and social development and thinking first of the interests of its own country, is concerned to the same extent about the successful development of its socialist partners and allies. This is said directly in both the report by Mikhail Sergeyevich Gorbachev and in the decisions by the party's Central Committee Plenum.

The Soviet Union does not envisage its own development as development on the road of autarchy, of some enclosed economy where all is produced by one's own hands and used by oneself. The Soviet Union envisages itself as a part of the world community and the Soviet economy as a part of the world economy and, of course, very closely and tightly linked to the economy of the socialist states. At this level our country's strengthening cooperation with its socialist friends -- and the reserves of this cooperation are genuinely inexhaustible -- promises to be a powerful accelerator in the development of our production and the development of the socialist countries' production. What seems to be particularly valuable -- the unification of the intellectual, technical and production resources of the socialist community countries -- should ensure that the heights of scientific and technical progress are quickly reached.

It stands to reason that today economic problems are simply not resolved by nonscientific progress. I think that following on from the decisions by the party's Central Committee plenum will come very great work to define more precisely our plans for cooperation with our friends on the level of intensifying these mutual ties and deepening them. The overall result is to enhance the prosperity of the working people and to successfully resolve those social problems with which the socialist countries are familiar in their development.

NATO BODY BOOSTS 'MILITARIST' PROGRAMS

PM251522 Moscow PRAVDA in Russian 25 Jun 87 Second Edition p 5

[Vladislav Drobkov "Commentator's Column": "What a Lever..."]

[Text] A session of the so-called European programming group has taken place in Seville.

Let me remind you that this group, which includes the defense ministers of 13 NATO countries, was originally set up as a kind of lever designed to boost military production in Western Europe and lessen its dependence on arms deliveries from the United States. This idea won the eager support of the West European weapons manufacturers, who are under pressure from competitors across the ocean. However, experience shows that even now American monopolies confidently lead the Atlantic market for arms and combat hardware.

Does this mean that the group has not justified the hopes pinned on it? The answer to this question will depend on what hopes you are talking about. If you are talking about the West Europeans' attempt to lessen their armies' dependence on American arms, the group has nothing particular to boast about. But when it comes to stepping up militarist preparations in Europe, the NATO programmers have done very well. It is clear from the Seville session documents that some 30 major programs are now being implemented for the joint development and production of new planes, helicopters, missiles, and other combat hardware. True, work under these programs proceeds at different speeds and is sometimes hampered by arguments, ambition, and most of all greed on the part of the competitors from various countries. But overall they are already making a weighty and sinister contribution to the buildup of the stockpiles of lethal weapons heaped up by the NATO on European soil.

One dangerous trend emerged clearly in Seville -- namely, the desire which is gaining ground in the bloc on the part of certain circles, alarmed at the prospect of the elimination of medium-range nuclear missiles in Europe, to win a kind of compensation. They want to "compensate" for the possible reduction in nuclear arms by whipping up the race for conventional arms and strengthening military ties and cooperation in Europe. It is no accident that it was in Seville that the French and West German military ministers discussed the details of knocking together a joint combat subunit. It was there that appeals were heard for a strengthening of "NATO's European bulwark," and even for the bloc to be supplemented by some kind of new "European defense" system. And the document "For a Stronger Europe," approved by the ministers, outlines concrete prospects for the utilization of sophisticated technology to create ever more destructive arms and stimulate military industry.

The results of the Seville session once again testified to NATO's intention, despite the favorable prerequisites which now exist for lowering the levels of military confrontation in Europe, to continue to follow the old militarist course. Using the programming group as a lever, the Atlanticists seek not only to hamper the process of curbing the military race, but to raise it to a new, even higher level.

'TOP PRIORITY' VIEWS MILITARY DOCTRINE, MISSILES

LD281407 Moscow in English to North America 2300 GMT 26 Jun 87

["Top Priority" program presented by Vladimir Pozner with panelists Radomir Bogdanov and Sergey Plekhanov of the United States and Canada Studies Institute]

[Text] [Pozner] How do you do, ladies and gentlemen. This is Vladimir Pozner presenting Top Priority. With me on the panel as usual, Dr Radomir Bogdanov and Sergey Plekhanov of Moscow's United States and Canada Studies Institute. Several things have occurred this week and one is, of course, the press conference where the Soviet side presented the new Soviet doctrine, (?let us say that) the new military doctrine that has been supported now and put forward by the Warsaw Pact nations. That's on the one hand, and on the other hand of course, the plenary session of the Soviet Union Communist Party Central Committee. The new aspect of the military doctrine concerns sufficient defense. The Soviet military doctrine was always a defensive one, but there's a new concept of sufficient defense. And what I'd like you to look at today is to what, what is the new idea based on, what is it related to? Does it have something to do with the economy that is being discussed at the plenary session? Does it have to do simply with a new way of seeing things? Please, who would like to take that?

[Bogdanov] Vladimir, it's a very interesting question, not only for our American listeners but for us, too. Let me state that maybe for the first time in the Soviet history we have made so clear what the Soviet military doctrine is. But I would like to add one thing. It's not only the Soviet military doctrine, it is Warsaw Pact Treaty.

[Pozner] Exactly.

[Bogdanov] Warsaw Treaty doctrine which is really unusual one. [as heard] Now let me say something else, you know, for so many years and decades the Soviet military doctrine was a focus of different speculation in the West: what it is, how it is secret. And people in the West were claiming even at the responsible quarters, but they, they don't know what the Soviet military doctrine is, it's such a big secret maybe the biggest secret of the Soviet state, you know. And they have always been basing their judgment on the Soviet military doctrine on one book written in the sixties by late Marshal Sokolovskiy and some other people which is called "Military -- Soviet Military Strategy" by the way, not a doctrine but strategy, makes it, there is a difference.

[Pozner] Yes, in fact...

[Bogdanov] Nov, and they were claiming always that if you judge by this book, you know, the Soviet military doctrine is an offensive...

[Pozner] Aggressive...

[Bogdanov] Aggressive, (?offensive)...

[Pozner] Yes, I've heard that said. In fact they've quoted Sokolovskiy many times to that effect.

[Bogdanov] Now, yes. Now you have a document which is, which is maybe three, four, or many other times more authoritative, more important than that book which belongs to the past, by the way. What is the principal difference between the doctrine, between conventional, usual doctrine, military doctrine and that one? Any doctrine, military doctrine, including American doctrine, French doctrine, German doctrine, whatever it is, always has as first priority, how to win the war, you know, how to win the war. The doctrine offered by Warsaw Treaty, by the Soviet Union, it's absolutely different, maybe for the first time in the, in the history. It's not how, about how to win the war, but how to prevent the war. And if you take the principle, you know, point of the doctrine, and come down to the technicalities of that, you will very easily see if you are not to win but to prevent the war, it's defensive, it's defensive. You cannot prevent the war by winning the war.

[Pozner] All right. Could you, could you, briefly, Dr Plekhanov, could you tell us what is sufficient defense, as differing from defense in general? This seems to be an important qualification.

[Plekhanov] That's right. I think that there is an innovation not only in response to, in relations to admitting that you can't win a nuclear war, in the new Soviet military doctrine...

[Pozner] It's not Soviet, as we said, it's the Warsaw Treaty Organization, yes.

[Plekhanov] Right. But another thing, using force or building up force to prevent a war, because some people think that, well you know, to prevent a war you must be as strong, so strong as no one would dare to offend you. And that was our traditional approach. But...

[Pozner] That is, the more weapons we have, the safer we are.

[Plekhanov] The more weapons we have, the safer we are. And here the concept of reasonable sufficiency, of sufficient defense, there are various terms for it, becomes very important, because if we recognize, and we do recognize, that security can be achieved only on the basis of regard for the security of the other side...

[Pozner] Mutual security.

[Plekhanov] Mutual security, common security as well. Then you nust think how the other side will view your preparations for absolutely defensive actions. But if you don't think about the concerns and the fears on the other side, so not only your intentions must be defensive, but your strategy, your preparations, military preparations, your military policy must be defensive in nature. The essence of the new security doctrine of the Warsaw Treaty is to restructure the military policies of both sides, and that can only be done on mutual basis in such a manner...

[Bogdanov] I'm sorry, Sergey, not only restructuring the military policy, but restructuring the forces.

[Plekhanov] The armed forces, yes.

[Pozner] Pardon me, let me jump in here, let me jump in for one minute. Let us take conventional forces. Now there is a disbalance if you look at the NATO and the Warsaw forces there is a disbalance. Some have more of one thing, some have more of the other. One way...

[Bogdanov] What we call, what we call a rough parity.

[Pozner] Rough parity (?as such). Now one way of looking at it would be to establish proper defense, would be for all sides to build up the equal level that they have today. If we have more tanks, then the West should have more tanks, as many as us. If they have more battle, er, planes, let us say, then we should have more planes and build up to their level. That's one way of looking at it.

[Plekhanov] That's the NATO (?looking).

[Pozner] All right. The other way is to go down. If we have more tanks than they do, we should have fewer tanks. If they have more planes than we do, they should have fewer planes. Would you say that is our, the view of the sufficiency of defense?

[Bogdanov] Yes, that's the view of the sufficiency of defense. But there is another very important point, you know. You don't, you not only eliminate the disparities by, by building down, if you like...

[Pozner] Yes, I like that a lot.

[Bogdanov] Yeah, but you leave only weapons systems with conventional with defensive...

[Pozner] Capabilities.

[Bogdanov] Capabilities. You just withdraw from the zone, combat zones, you know, offensive weapons. Weapons of the first strike, if you like, of surprise attack.

[Pozner] I see. All right. OK. Now, let's go back to the question that I began with. What, this change, this change in attitude towards military doctrine, how do you explain it? Is it because our economy cannot deal with military production? Is it for some other reason? What are your guesses?

[Plekhanov] Well, I think that there are several reasons, and economic reasons are there too. I wouldn't blow them out to all proportions. But they are important. We would like to spend a lot less on defense than we are. And I think that the same attitude exists in the Americans judging the, by public opinion polls, and in many other countries. Really, we have mountains of weapons we could safely do without. But there is another very important thing: In a nuclear age, radical means must be found in order to reduce levels of armaments: otherwise within maybe 10 or 15 or 20 years we will be gone, maybe even earlier -- some miscalculation has happened, and that's all. So, our doctrine, our new doctrine reflects recognition of that reality.

[Pozner] Would you say it's a combination of economic factors and political realism?

[Plekhanov] Yes, political realism and also a part of the other side of political realism, recognition that this is one world. It...

[Bogdanov] It is not only political realism, it's a realistic assessment of the situation. Don't you feel a difference between...

[Pozner] Well, I'm certainly not going to argue (?against) linguistic...

[Bogdanov] But it's not only linguistic, it's factual, you know. I just would like to...

[Pozner] I agree with you. I agree.

[Plekhanov] Recognizing the political reality that with all the existing differences in this world, ideological, economic, social, it is one world, and it will either survive as one world or it will perish as one world. And this must be, this fact must not be simply given lip service to in big speeches, it must be recognized in the changes in our military...

[Pozner] Incidentally I believe that General Secretary Gorbachev alluded to that fact when he addressed the World Congress of Women in Moscow this week as well, did he not, the importance of that whole idea.

[Plekhanov] Oh yes, yes, yes. Nonviolent, interdependent world. This is the reality which we must address.

[Pozner] Incidentally, I was listening to one of the women, one of the delegates, I think she comes from West Germany or from Sweden, talking about why she was here and what women were trying to do, and she phrased a really beautiful thought. She said, our husbands keep telling us, you know, why are you going and leaving the family, and what we say is, well in the past men left their homes to go to war, now women leave their homes to secure peace. I thought that was beautiful... Well, all right, now let's get back to that press conference I was talking about where this, the military doctrine of the Warsaw Pact was announced. General Chervov made a statement to the effect that in so far as intermediate range missiles in Europe, and shorter-range missiles was concerned there seemed to be some problems. I bring this up because when I was in the States recently, the way the U.S. media was handling this was that it had all now been agreed to, everything was fine, and that a summit was a forgone conclusion in October and November, all problems had been solved, everything was hunky-dory, as they say, and this seems to be somewhat contradicted by what General Chervov said, because he said: (A), Number one, according to what we hear now, the Soviets are supposed to destroy all of their missiles, whereas the Americans are not supposed to destroy anything, and number two, the Americans are saying that they will take the nuclear warheads on their Pershing missiles, Pershing-2's and put them on the West German Pershing-1A missiles, which would be a total contradiction of the spirit and the letter of agreements, first of all you cannot transfer nuclear weapons to another [illegible]tion, and what's more, it flies in the face of the agreements that are now being talked about. So I'd like to ask you, what is this all about, what is your opinion?

[Bogdanov] You know, first of all, that rosy picture does not reflect the reality...

[Pozner] You mean the fact that everything is agreed upon and...

[Bogdanov] Yeah, yeah. This picture is not as rosy as...

[Pozner] Some would have us believe?

[Bogdanov] Yeah. You know, after all it is very much in the favor of this administration if the picture is rosy...

[Pozner] You mean Mr Reagan needs it?

[Bogdanov] I believe, that's my personal view...

[Pozner] The Republican Party needs it?

[Bogdanov] Which the Republican Party before the elections, they need it just to, you know, to present themselves as the peacemakers and things like that. But if you look at the table, the Geneva table, you will see that parties face a lot of difficulties, and the main difficulty is there, and the usual difficulty that the American side is trying again to gain somehow one buck more than the Soviet side, you know, in another word, to get the military superiority, even perceived, you know, not real perceived military superiority. And there is another side of this story, that's again my personal view. You have a very, very clear fact of internal fight within this administration, and the fight is not yet over. You have different factions in the administration. One faction is for, the other one is very much against any deals, deal, with any deal with the Soviet Union. And when you look at all these dirty things you know, lying on the table preventing the parties to strike an agreement, you will very clearly see that one faction is fighting deadly to prevent any agreement. The other side is not a strong one, or strong one, maybe they would never be strong enough to strike a deal, that's my very pessimistic view... [as heard]

[Pozner] You are pessimistic?

[Bogdanov] Yes, I'm still pessimistic. When I'm looking at all that, I'm still pessimistic.

[Pozner] So you, do you actually believe that we will not reach an agreement on the intermediate-range missiles in Europe, are you of that opinion?

[Bogdanov] We have very, very short time to reach this agreement, and I would like to make a link between the American domestic situation approaching the presidential campaign which will change the whole picture, which will make the parties, you know, to behave differently. That's what worries me. Time is very short, time is running out. And sometimes I have a suspicion that the party which is against a deal is just dragging the time, bringing all that issue of INF into the presidential campaign, then that will be (?would) come, may be impossible. That's my view.

[Pozner] Dr Plekhanov, how do you feel about this, are you as pessimistic as your colleague here, because I repeat in the United States the general sentiment seems to be that, oh yes, we're going to have this summit and everything's going to be fine. So, clearly there are some problems. But do you feel that in reality we may not even have a summit and that the intermediate missiles will not be solved and the zero option will not, the zero-zero option in fact, will not be achieved?

[Plekhanov] I think it could go either way because the administration, I agree with these analyses of factional fights within the Reagan administration. Look, the administration for six years has been moving the United States in a different direction, not in the direction of good arms control agreements with the Soviet Union but in the direction of the...

[Pozner] The opposite. Yes.

[Plekhanov] Gaining the upper hand, gaining the military superiority, building up weapons and so on. And it's like a car which you've been driving in a certain, on a certain road, and then you remember that oh, my God, I've got...

[Pozner] There's a cliff at the end of the road...

[Plekhanov] I've got to make a turn...

[Bogdanov] But you have different drivers. You have very different drivers.

[Plekhanov] Right, and then you start, you know, you don't really know that time is very short and the cliff is nearby, and you're trying to make that turn, and it's an open question whether you will fall off the cliff or make the turn, and I think that's roughly the situation now.

[Pozner] Well, that's, that comes I think, comes a surprise to many of our listeners who I think have become quite optimistic. Before we sign off, I would like you to look at just one aspect of this because I'm sure our listeners are not aware. What is wrong with the idea of transferring American nuclear warheads to West German missiles?

[Bogdanov] It's an ominous idea I wouldn't even like to talk about that, I'm sorry.

[Pozner] Well, I'd like you to talk about it only because I'm afraid that many of our listeners in the United States are simply not aware. So that would be it's simply infringing on existing international agreements.

[Plekhanov] That's right. The current situation is that the Bundeswehr, the West German Army, has control of the missiles, Pershing-1A tactical missiles, which are armed with nuclear warheads, but the nuclear warheads are under the control of the United States. So that has been the situation and it's a very sensitive thing, you know, putting the nuclear weapons in the hands of the Bundeswehr has always been a very sensitive question, and a lot of Europeans, not just in the East or in the West, do not feel comfortable with that idea. And for the Americans to change that situation now when they begin to talk about arms control and removing nuclear weapons from Europe, would be an unheard of thing.

[Pozner] Well, it certainly doesn't feel comfortable to me either, but let's hope that political realism does succeed in untying this knot. I will say that I still believe that we will reach an agreement on intermediate-range missiles.

[Bogdanov] We wish you were right.

[Pozner] All right, we will see, time will show, and on that, on my optimistic note, if you'll permit, I'd like to end this edition of Top Priority. Tune in with us a week from today at the same time, we'll be back with more.

WEEKLY 'INTERNATIONAL OBSERVERS ROUNDTABLE'

LD281650 Moscow Domestic Service in Russian 1130 GMT 28 Jun 87

["International Observers Roundtable" program with All-Union radio commentator Viktor Nikolayevich Levin; Vitaliy Vladimirovich Zhurkin, corresponding member of the USSR Academy of Sciences and deputy director of the USSR Academy of Sciences Institute of the USA and Canada; and political observer Nikolay Vladimirovich Shishlin]

[Text] [Levin] Hello, esteemed comrades. We'll begin our conversation with the CPSU Central Committee Plenum. The materials you've already perused indicated that the plenum has set very important tasks in the creation of a new economic mechanism in the Soviet Union. These may look like purely internal matters, but, in the first place, the materials of the plenum have evoked a very wide response abroad: in the socialist states, in the countries of the capitalist part of the world, in all the states of the globe. But perhaps that is not the main thing. The main thing -- the second, if we're going to count -- is that here domestic and foreign policy are absolutely indivisible. And the materials of this plenum speak very vividly and convincingly of the Soviet Union's aspirations in foreign policy. They tell us the aims toward which our party and our country are directing their efforts. The materials of the plenum also deal, of course, with matters concerning international economic relations: the broad development of new principles of mutual relations with the socialist countries and the need to achieve a deeper integration of the national economies of the fraternal socialist countries. They are being set jointly, as was already stated at the conference of the leaders of the fraternal parties. Great tasks are being set, too, in the development of economic relations with the developed capitalist countries. But I repeat, what stands out in the tone -- if I may put it like that -- of the foreign reactions to the plenum is, in addition to the analysis of our aspirations in improving the national economy and the economic mechanism, the conclusion that these materials confirm very vividly and convincingly that the foreign policy of the Soviet Union is now acquiring this solid economic base -- an internal political base.

[Shishlin] Viktor Nikolayevich, when we talk about the significance of the CPSU Central Committee plenum from the point of view of foreign policy, of course we must still be very clear that the main purpose of the decisions made and the conclusions drawn by the plenum is a radical economic reform destined to raise our country onto a new level of economic and social development -- to create, in other words, that foundation of greater prosperity and strong foreign policy without which the strongest foreign policy is quite simply inconceivable [as heard]. And something very important, I think, that emerged from the Central Committee Plenum and its decisions is that Soviet affairs were regarded at the Central Committee Plenum both as Soviet affairs and as part of international affairs. In other words, this vision of new roads of development for the Soviet Union contains a view of the world as an interconnected and interdependent thing: a world that in certain respects is a single whole. And it's rather significant that the report by Mikhail Sergeyevich Gorbachev contains a very direct and definite statement of the need for the Soviet Union to participate in the international division of labor. Thus, without any reservations or, well, petty barriers, you might say, the Soviet Union actually does indeed participate in the international division of labor.

International commercial, monetary, and financial relations and the latest scientific and technical transformations inevitably affect in one way or another the state of affairs in our own economy. The measures that are being taken to improve the management of external economic contacts have as one of their aims the deepening of the participation of the USSR in the international division of labor, and this is becoming an increasingly important factor in the development of the Soviet national economy. We are talking of the interweaving of external and internal interests -- in the economic field, in this case. But since in our broadcasts we put the emphasis on international events, we concentrate our attention on the foreign policy aspect of the question. And here we have to say plainly that in recent days, the development of the international relations has, well, left something to be desired. A number of elements have appeared...

[Shishlin] Sorry to interrupt, Viktor Nikolayevich, but the development of international relations always leaves something to be desired. [laughter]

[Levin] I fully accept that correction, so I'll put it more simply: a number of elements have appeared to cause extra anxiety. What I have in mind is the way things are going at the Soviet-U.S. talks in Geneva on drafting an agreement to eliminate medium-range missiles and operational and tactical missiles, and the events that are unfolding in the Persian Gulf. We might begin, perhaps, by analyzing the situation, as it appears today, at the Soviet-U.S. talks in Geneva.

A few days ago Mikhail Sergeyevich Gorbachev in his greetings to the World Women's Congress referred to the fact that ther West very often says that words are one thing, and deeds another; and he compared the Soviet Union's words and deeds. With the Soviet Union, it's concrete actions. The West has more words than deeds, but I should say that in Geneva they are now beginning to do something, but these are actions with a minus sign, negative actions.

[Zhurkin] Well, yes, such negative actions are occurring, but in general, the United States always has been -- and remains -- an extremely difficult partner at those talks. And if we get way from the multitude of details -- although we can talk about them, certainly a lot is being written about them -- then the central question, Viktor Nikolayevich, is still the question of whether we'll succeed in concluding this agreement with the United States. Here the United States, the U.S. leadership, the Reagan administration, keeps shying away: they step forwrad, then sideways, then back, as happened just recently during Reagan's speech in West Berlin; and at the talks themselves they regularly throw in some additional details which make the progress of the talks more difficult. And in general it does seem to me that we still have no answer to that question. And the reason evidently is that on the one hand we -- it must not be forgotten that, whether we conclude an agreement with the Reagan administration or not, it always has been, is, and will remain a rightwing conservative administration with clear and obvious anti-Soviet tendencies [sentence as heard]. And it's not because they like us or love us that they've agreed to negotiate, but because they're squeezed in a tight circle of political realities, by the fact that they haven't got the money for the arms race -- for 2 years now they haven't been able to increase their military budget -- and by the growing resistance at home to Reagan's policy. Well, indeed, if we're talking about the serious national interest of the United States, an agreement is to the advantage of the United States. It's equally advantageous to us as well.

[Levin] To the whole world.

[Zhurkin] To the whole world. Perhaps the administration is hoping to scrape together some domestic political advantages for itself now that the U.S. elections are imminent. And these diverse factors are all the time pushing it now to the right, now to the left, now forward, now back.

Well, you may say, how can we do business with such an administration? The Soviet Union has no elections coming up. That administration today represents the United States, and will go on doing so for the next 1 and 1/2 years. To a certain extent, of course, we have time on our side, because the Reagan administration has only 1 and 1/2 years to go. In January, 1989, that administration will come to an end. Well, in working to conclude that agreement, the Soviet Union has a chance to look ahead and carry to a certain limit -- the maximum, so to speak -- the system of compromises and accords, and proceed on the basis that we'll be able to pick up where we left off with the next administration: that in a couple of years the whole thing will begin anew. But naturally, in such an acute and dynamic international situation, a responsible great power cannot affort to lose 2 years. And that's why our country is working so hard for that accord, though, as I say, time is on our side and not on the side of the Reagan administration. The talks are in difficulties. It is indeed a paradox that the U.S. press and U.S. politicians are always saying that the United States is about to enter its so-called political year -- its election year, that in fact it's already creeping up, so let's conclude or speed up the talks, while at the same time they're all the time throwing in various details. Now they propose forms that are totally unacceptable to us: reduction, say, of the number of medium-range missiles; now they talk about instead of destroying these U.S. missiles, transferring them to ships -- cruise missiles -- or somehow modernizing them and turning them into shorter-range Pershing-2 missiles. This is a complete sham because we know perfectly well that they could be reconverted with the greatest of ease. Well, and so on and so forth. And I think that despite the fact that the main issues have been settled, that the main accord exists, that we have agreement on the double zero: zero medium-range missiles in Europe and zero operational and tactical missiles, nonetheless these frills and fringes that the Americans have been attaching to the accords over the past 1 and 1/2 months do, I think, give grounds for concern.

[Shishlin] I'd like to say a word or two in connection with this. In U.S. publications I've come across the information, citing Rowney, the President's special representative for arms limitation -- his evaluation of the state of play in Geneva is that there is a 130-page document on the table.

[Levin] Yes.

[Shishlin] Well, it may be a joint document, but not a single page has been agreed. what you've just said strikes me as very true, I agree absolutely: that the main accords really have been achieved. Therefore it would be wrong to say that in that 130-page document not one passage has been finalized, that there's not a single passage that can be considered a common text. But there are indeed a great many reservations and encumbrances still getting in the way of drawing up a unified document. And here, of course, the time is evidently coming when the Soviet-U.S. dialogue should be included -- or rather, transferred -- to a higher level than Geneva; say, to the foreign minister level; and it looks as if that need actually will lead to a meeting between the Soviet foreign minister, Comrade Shevardnadze, and U.S. Secretary of State Shultz.

In other words the way the Geneva talks are going does arouse a certain vigilance at the present time.

A month ago it was possible to be a little optimistic about prospects of working out a compromise, but now there's slightly less optimism because a certain time limit is making itself felt, and because of the slow pace that the U.S. attitude has imparted, in effect, to the progress of the Geneva dialogue.

[Zhurkin] You know, it seems to me there's even an element of tragedy, politically, in the whole situation. The main elements of a real major disarmament agreement really have been agreed on, and this ought really to lead to the destruction of a large number of very effective weapons of nuclear combat on both sides. And then into this element, this system of trivia -- which probably aren't such trivia at all, since these are attempts to gain, now in one place, now in another, unilateral concessions from the Soviet Union, and the Soviet position is clear: The Soviet Union makes compromises, makes far-reaching compromises, but will never make one-sided concessions. [sentence as heard] And in this situation, I think matters are indeed very worrying.

[Levin] I get the impression, you know, that the very principle of the double zero is being undermined. Listeners already know -- we've talked a lot about this, and there have been quite a few reports about it in the press -- that West Germany is persistently trying to retain in its possession the Pershing-1A missiles, while the United States is undertaking an obligation, or rather, confirming its obligation, to supply nuclear warheads for them and saying this is not the subject of the talks, though the U.S. position is devoid of all logic. The other day I even read the thesis that these are not the weapons of the great powers, because the launching facilities for the Pershing-1A's are in the hands of the Federal Republic of Germany, but they are not the weapons of third countries either, because the nuclear warheads are in the possession of the United States.

[Zhurkin] I suppose they belong to the Martians, then.

[Levin] That's precisely the point. A paradoxical situation is arising. And side by side with that, the issues surrounding the modernization of the Pershing-1A missiles are, quite simply, being inflated. And incidentally, Vitaliy Vladimirovich, you mentioned the plans to convert Pershing-2 missiles into shorter-range missiles. Already there are plans to give this missile a new name, Pershing-1B, and to offer it as a substitute for those Pershing-1A's. The Bundeswehr currently has 72 missiles, and these 72 missiles will be kept. Kohl says: No, we shall insist categorically that the U.S. warheads for these missiles should be kept, that they should be on hand, so to speak. The Americans themselves say this -- also a completely incomprehensible thesis -- we are talking, they claim, about zero for medium-range missiles and operational and tactical missiles, by which we understand missiles with a range from 500 to 1,000 kilometers; but Pershing-1A, they say, is a missile of a completely different class, and there can be no discussion of it. Pardon me, but its range comes precisely between 500 and 1,000....

[Zhurkin, interrupting] Seven hundred, 700 kilometers, 700 to 750 kilometers....

[Levin, interrupting] And that is a very, very alarming feature. By the way, Chancellor Kohl stated again in the last few days that the degree of trust in the Soviet leadership will depend to a significant extent on the Kremlin's response to the U.S. proposal on the two zero options, into which Kohl himself tried to insert a number of additional elements aggravating this accord and impeding it.

[Zhurkin] Viktor Nikolayevich, in Chancellor Kohl's place, if I may be allowed, I should be more worried about what trust would be placed in me on the part of the Soviet Union.

[Levin] It seems from the position which the FRG occupies on this issue. By the way, the Social Democrats, in particular SPD Chairman Vogel, has said correctly, I believe, that Bonn's stubborn position on the matter of the attempt to keep these Pershing-1A missiles raises the question of whether Bonn is seeking to possess nuclear arms. And this question, by the way, is very pertinent, wholly pertinent.

[Shishlin] Yes, but all the same, Viktor Nikolayevich, I think -- so that his might be clearer to our listeners -- all the same, after all manner of hesitation, doubts and clashes of various points of view, the West European position has settled down in general, to a certain degree, on a recognition of the necessity of going for double zero.

[Zhurkin] Definitely, definitely.

[Levin] Quite right. But what's going to be the second zero if the FRG is going to have 72 missiles possessing U.S. nuclear warheads?

[Shishlin] But, you know, this is an issue which is currently the subject of negotiations; and I think that it is correct here to talk, of course, of the unacceptability, the absurdity, of the West Germans' position. But it is not the only problem standing in the way of working out a compromise. You know that the Soviet Union has gone quite a long way to ensure that a sensible compromise could be worked out: We closed our eyes to the existence of nuclear-armed missiles in both Great Britain and France, and decided to talk to the United States about Soviet missiles and U.S. missiles; and we do not want to talk about West German Pershing-1A missiles, but we want to talk, and are talking, about the U.S. nuclear warheads on those missiles. That's the problem here.

[Levin] Well now, there is another motive which is appearing in the West now. I think that it merits attention because of the fact that it explains their delaying tactics. In this connection, if you like, the British newspaper THE TIMES has expressed itself the most frankly. It has written that what happens after the conclusion of a treaty on medium-range [promezhutochnoy dalnosti] nuclear forces will demonstrate whether the United States and its allies are sufficiently strong and vigilant to withstand Gorbachev's next siege. This is a very interesting point. Everybody understands full well that we -- by which I mean the whole of mankind -- are now on the threshold of an extremely important decision: We are talking about the elimination of a whole class of nuclear arms, and there has not been anything like it before; it is an unprecedented step, a step which can bring with it and definitely must bring with it new decisions, even bolder and more far-reaching ones. And yet the impression is forming that in the West -- I don't want to say everybody -- but many people are not prepared for this. It is a very serious element, and it is this which explains the delaying tactics which we are coming up against in Geneva.

[Zhurkin] The situation is complicated, and the situation might resolve itself negatively, but, all the same, there are real, serious grounds for counting on a positive solution an seeking to achieve it.

[Shishlin] Of course. Vitaliy Vladimirovich, I don't know how you will assess these situations, but I feel that in general, all the same, inflation of tension in international relations is not now occurring; the influence of the Soviet initiatives over the last 2 years is having an effect.

[Zhurkin] Moreover, Nikolay Vladimirovich: Of course, we all want the situation to be better, and sometimes it happens that we are in a hurry to claim that what we desire is really there. Altogether, this positive influence of our initiatives, it often isn't quite so simple. It passes both through the deep strata of the population and through the perception of our initiatives by right-thinking circles in the political elite of this or that Western state; it proceeds slowly, and sometimes it takes a zig-zag route. For this reason, we often cannot see such a straightforward positive process; but if, taken as a whole, if we put this kaleidoscopic picture together in a unified picture, then of course, taken as a whole, it is an undoubted influence. So, we can see indeed that, under the influence of the Soviet peace initiatives, the situation has improved....

[Shishlin; interrupting] Yes...

[Zhurkin, interrupting] As a whole, in the last 2 years.

[Shishlin] Yes, although, of course, there are very many problems now knocking at the door which need solving. And, in particular, the world's press is writing about these problems today. They are definitely worrying in political circles, too. I have in mind the Near East zone and the Persian Gulf zone. True, I do not absolutely agree with this, but in this regard I encountered a commentator's point of view in one Soviet newspaper on the situation in the Persian Gulf. He expressed the view that the whole incident involving the U.S. frigate that was attacked by an Iraqi aircraft, if it had not occurred, would have had to be invented in the interests of the United States. However, I think...

[Zhurkin, interrupting] Well, that is doubtful.

[Shishlin, continuing] ...That this is too sweeping a judgment and an inaccurate judgment. But, of course, the situation in itself in the Persian Gulf shows just how fragile and vulnerable it is and just what a need there is for careful consideration and caution in actions, especially the actions of the big powers. The situation highlights this quite clearly.

[Zhurkin] The proposal that Kuwaitis fly the U.S. flag on Kuwaiti tankers is altogether a legitimate measure. It is not very widespread, but it is accepted in international practice. But what is the setting for all this movement of ships? There are threats as to whether they will strike or not at one of the sides. There is in general a savoring of all this exacerbation in the press and there is this imperial high-handedness -- I do not know how better to describe it. This is altogether precisely an example of the old thinking and an example of the approach which is at variance with the laws of civilized intercourse that are coming into being between states, and this is in conditions where real steps directed at improving the situation are possible in the Persian Gulf. Incidentally the Soviet Union, many years ago now, spoke of the need for some kind of joint international efforts aimed at seeing that relative order was maintained on sea routes and of the fact that the collective efforts of all states are needed, meaning naturally also the coastal states in the area.

It must be said that the Reagan administration has a great deal of ambition, but after all, as an alarmed Congress says all the time, it's a little short on ammunition. Congress constantly recalls how the Americans landed in Lebanon, and how in general after the deaths of several hundred U.S. Marines they were forced to go home. It remembers too the action of President Carter against Iran to free the hostages. Looming over all this too, of course, is the Irangate scandal, in which the United States conducted itself contrary to all the usual civilized norms of international behavior.

We often speak about hotspots -- a hotspot here and a hotspot there. Here a whole hot zone has come into being. It extends right from North Africa to Afghanistan. Here, there, and everywhere, we see that there is nevertheless to be discerned this U.S. neoglobalist policy through which it still hopes somehow to turn the course of events in its own favor.

[Shishlin] Yes, as I have been listening to you, the following thought came to me. I do not recall exactly which U.S. State official -- I rather think it was Armacost, the assistant secretary of state -- who stated that there is not a single point of contact between the positions of the Soviet Union and the United States in a single part of the world -- in a single zone of the world. Now with regard to the Persian Gulf they are also really disowning any coincidence of Soviet and U.S. interests. But why is the problem of safeguarding the freedom of shipping not a common interest both for the Persian Gulf countries and also for the United States States and our country?

[Zhurkin] Surely too halting the Iran-Iraq war is a common international interest!

[Shishlin] Yes, indeed.

[Zhurkin] An interest in this is being displayed by dozens of countries.

[Levin] Today, the development of international relations is of course complicated, but indeed there always will be some kind of complication. Things are never simple. Returning to the point where we began and to the fact that our peace-loving policy was reaffirmed once again most vividly and convincingly in the decisions of the CPSU Central Committee Plenum, I think that we should also mention the International Democratic Federation of Women that has been under way this week in Moscow. After all, it showed vividly and convincingly that the forces of peace are developing their potential and that this potential is developing fully under the beneficial influence of the enterprising and constructive foreign policy of the Soviet Union. This is happening to a great extent under the influence of these initiatives. After all we have given impetus, if you like, to mankind's hopes that international problems will be resolved. Our policy provides the answer to fundamental questions.

Indeed, let us recall the deeds that have been carried out by the Soviet Union in the past 2 years. Silence reigned over Soviet nuclear test-ranges for 1 and 1/2 years, and it would have continued if the United States had joined in our moratorium. Indeed we opened the way to an accord on eliminating medium-range and operational and tactical missiles. They were our specific proposals, though they took account of the Western positions. We have done this with the sincere intention of getting the matter moving and beginning a real process. We have ceased the production of chemical weapons. We have already ceased their production, although there is still no accord on eliminating chemical weapons. The United States is responding to this with attempts to create binary weapons, that is to say, a circumvention maneuver. It is this initiating and concrete character of Soviet foreign policy that is winning hearts and minds. This is also incidentally a factor which is having a definite effect -- and cannot fail to have an effect, on the U.S. position and the position of other Western states. At a difficult and complex time all this provides us with definite hopes, and we look to the future with this hope.

[Shishlin] I think that we can even say, with greater hopes. I think that we are entitled to say that a certain amount has already been achieved.

The moral, psychological and political prerequisites have been created for a breakthrough to major agreements and a real restructuring of international relations on the basis of common sense and goodwill. I think indeed that we have already started the new political thinking and made a very confident start, and that acting within and relying upon the framework of the new political thinking we can proceed along the road that we have chosen -- the road to a nuclear-free and nonviolent world.

[Levin] This is our principled proposal and it will remain in force. We are struggling for this and we shall continue to do so.

The time for our program has now elapsed. Thank you, esteemed listeners, for your attention. All the best to you!

WICK ASSERTIONS ON U.S. DOCTORS' VISIT DENIED

LD241723 Moscow World Service in English 1700 GMT 24 Jun 87

[Text] Assertions by the director of the United States Information Agency, Charles Wick, reported by the Voice of America, alleging that American psychiatrists were invited to the USSR during his meeting with a secretary of the Soviet Communist Party Central Committee, Aleksandr Yakovlev, are an outright distortion based on an arbitrary interpretation of its content. This has been told to our correspondent by a Soviet representative who attended Yakovlev's meeting with Wick. The discussion focused on a concrete case brought up in the past by the Western news media with regard to a person who was in a psychiatric clinic at the time. His name was not mentioned for ethical reasons.

When American doctors were invited to take part in the treatment they declined to do so. Obviously there could be no talk of any inspection of Soviet hospitals by Americans. As is known to unprejudiced people, no one is put into psychiatric clinics for political reasons in the USSR.

WEEKLY DENOUNCES U.S., SOVIET MEDIA 'HOSTILITY'

PM091327 [Editorial Report] Moscow LITERATURNAYA GAZETA in Russian 27 May 1987 carries on page 14 under the headline "'Reagangrad,' or a Duel of Stereotypes" a 4,000-word article by APN political observer Vladimir Simonov in which the author takes issue with U.S. journalist Emily Prager over her movie script "Reagangrad," recently published by New York's VILLAGE VOICE.

Simonov picks out seven scenes from Prager's script and refutes at some length the ideas underlying each scene, blaming the "ideology of stereotypes" and -- at one point -- contrasting the results of U.S. and Soviet polls about each nation's attitude to the other. He concludes:

"So much for parody. But what happens in life? The duel of stereotypes is not simply continuing here -- I am afraid that it is becoming increasingly sophisticated and vicious. Of course, our countries are divided by contradictions. But are they enough to justify the level of hostility that is maintained by mass news media including -- although not on a comparable scale -- our own Soviet media?

"I think not. Two great peoples, whose national characteristics are said to be so similar, who were in the same trenches during the battle against Hitlerism, are worthy of a less prejudiced, an unblinkered and honest view of one another. Otherwise the new common threat -- the nuclear threat -- could find us in different trenches."

U.S. MAGAZINE CLAIMS WHITE HOUSE PLOTTED IRAN COUP

PM251703 Moscow PRAVDA in Russian 23 Jun 87 Second Edition p 5

[TASS report: "Details Emerging"]

[Text] Washington, 22 Jun -- While the Reagan administration's secret "Iran-contras" operation was being carried out, plans were being developed to overthrow the Iranian Government and assassinate Iran's leaders.

According to the U.S. NEWS & WORLD REPORT, part of the money obtained from the sale of weapons to Iran was used to pave the way for a coup d'etat in that country. According to the magazine's evidence, Colonel Oliver North, the main organizer of the "Iran-contras" operation and a former U.S. National Security Council staffer, admitted in a conversation with an American military man last year that he was examining plans for the assassination of Iran's political leaders. Furthermore, a special explosive device had even been prepared to eliminate one Iranian leader.

The plans to carry out a coup d'etat in Iran, as the U.S. NEWS & WORLD REPORT's account makes plain, were discussed during secret talks between the Americans and the Israelis, on the one hand, and representatives of the so-called "moderate" Iranian circles on the other. According to one Israeli participant in the talks, Michael Ledeen, a former National Security Council consultant who also took part in them, announced that the United States was ready to provide weapons and train conspirators and also let it be known that a number of targets in Iran, including oil-bearing regions, could be bombed as a "diversionary maneuver."

The investigators working on the "Irangate" scandal, the U.S. NEWS & WORLD REPORT notes, are planning to study reports that the CIA and the NSC carried out a whole series of covert subversive operations against Iran in 1985 and 1986 aimed at destabilizing the political situation in that country.

PLAN TO MISINFORM CONGRESS ON IRAN DEAL REVEALED

LD260843 Moscow TASS in English 0653 GMT 26 Jun 87

[Text] Washington June 25 TASS -- TASS correspondent Andrey Fedyashin reports:

U.S. Assistant Attorney General Charles Cooper today admitted during the hearings on the Capitol Hill that the Reagan administration wished to conceal from the Congress and the broad public the truth about Iran-contra operation by deliberately spreading false information about it.

He said that a meeting with the participation of former assistant to the President for national security affairs John Poindexter and the then CIA director William Casey was held in the White House on November 20 of last year. A plan for misinforming the Congress was discussed at that meeting. Cooper did not say if President Reagan had been present at the meeting.

He said, however, that the meeting had discussed a "statement" prepared in advance by Staffer of the U.S. National Security Council Oliver North. It was noted in the statement that no one in the administration had been aware that anti-tank and anti-aircraft missiles had been secretly delivered to Iran. The document also said that "drilling equipment" had been sent to Iran. It is only after representatives of the Department of State, realizing the utter absurdity of that "statement" had refused to support it, that this plan of misinforming the Congress and the U.S. public was discarded.

USSR, PRC SIGN SOVIET SHIP REPAIR CONTRACTS

LD251833 Moscow TASS International Service in Russian 1407 GMT 25 Jun 87

[By TASS correspondent Grigoriy Arslanov]

[Text] Beijing, 25 Jun (TASS) -- A new step has been taken to expand the multifaceted cooperation between the Soviet Union and China -- Chinese shipyards have begun repairing Soviet ships of various classes and types.

Contracts for the repair and refitting of Soviet vessels Kungur, Sakhalinskiye Gory, Ostrov Ushakova, Gutsup and Morskiy-3 were signed today between the all-union 'Sudoimport' Soviety and the Chinese state corporation 'Mashimpeks.' Ilya Butakov, deputy general director of 'Suboimport', told me that the first positive experience in this sphere for many years has already been gained. Repair work was recently completed on Soviet vessels Rauma and Pelengator in the PRC. Soviet sailors are satisfied with the quality of the Chinese shipwrights' work. My Bureyales is arriving today in the port of Xing'an for repair work and refitting.

(Cao Cigen), deputy general manager of Mashimpeks, assessing the significance of the contracts signed, stated that it was a 'good start.' He stressed that there are great potentialities for Soviet-Chinese cooperation in this sphere. The sides also agreed to discuss opportunities for production cooperation in the sphere of shipbuilding.

SOVIET, CHINESE EXPERTS DESIGN POWER PLANT

OW241225 Moscow in Mandarin to China 1500 GMT 19 Jun 87

[Dimitriyev commentary]

Dear listeners: The (Yumen) thermopower plant is yet to be found on China's economic map. However, before long the electricity generated by the powerful generators of this thermopower plant will be supplied to users through China's northeast power network. construction of the power plant will begin next year near the great (Yumen) coal mine. Currently Soviet and Chinese experts are drawing up designs for the plant.

During the first stage, the plant will have a generating capacity of 1 million kilowatts. The Soviet Union will provide China complete sets of modern equipment, including two 500,000-kilowatt generators.

We would like to point out that the (Yumen) thermopower plant is one of the three power plants the Soviet Union will help China build under the agreement signed between the two governments in 1985 on cooperation in building and renovating Chinese power projects. The design of the first power plant, the (Jixian) thermopower plant, has already been finalized, and that of the (Yumen) thermopower plant is almost completed.

To work out specifics, a group of power experts of the China Northeast Power Designing Institute visited our country for 1 and 1/2 months. On the eve of the Chinese experts' return to their country, I interviewed (Yu Shenggao), chief engineer of the institute. He spoke about his experience in working with Soviet experts:

[Begin recording] Our design group for the (Yumen) thermopower plant has spent 29 days in doing design work. Generally speaking, we have achieved what we came for. The two sides signed final minutes. In addition, we also visited two Leningrad plants. One was [words indistinct]. They gave us a deep impression. The (Livzhen) power plant is a fairly large power plant in the Soviet Union. It possesses valuable experience. We learned many things during our visit.

During our stay we met with many Soviet comrades. What impressed me most is that we were friendly to each other and serious toward the work. On the streets, many Soviet comrades showed friendship toward us when they knew that we came from China. This also gave us a deep impression. [end recording]

At the end of the interview, chief engineer (Yu Shenggao) said:

[Begin recording] Sino-Soviet cooperation is important economically, but what is more important is that it helps promote understanding and friendship between the two peoples. I would like to extend my thanks to the Soviet comrades who worked with us. We would like to visit here again. [end recording]

PRC CALLS U.S. AMENDMENTS 'GROSS INTERFERENCE'

LD260810 Moscow TASS in English 0631 GMT 26 Jun 87

[Text] Beijing June 25 TASS -- A spokesman for the Ministry of Foreign Affairs of the People's Republic of China (PRC) has described the two amendments which the U.S. House of Representatives adopted on June 18 as a gross interference in the internal affairs of China, the interference which hurt the feelings of the Chinese people.

At a press briefing in Beijing today, he said one of the amendments had concerned the so-called human rights issue in the PRC, and the other dealt with alleged "violations of human rights in Tibet by the People's Republic of China".

"When the issues were discussed in the U.S. legislative body", the Chinese spokesman said, "the real situation in China was seriously distorted".

On behalf of the Chinese side, the spokesman expressed indignation and resolute protest at the U.S. action. It was also pointed out that the Embassy of the PRC in the United States received an instruction to send an appropriate official representation to the U.S. Department of State.

PRC CAMPAIGNS AGAINST 'ILLEGAL' PUBLISHING

PM251643 Moscow PRAVDA in Russian 19 Jun 87 Second Edition p 5

[TASS report: "Illegal Literature Confiscated in China"]

[Text] Beijing, 18 Jun -- More than 10 million copies of books and other printed material published and distributed illegally have been confiscated in China since the beginning of the year during the campaign against "bourgeois liberalization." Almost 200 illegal printing presses and more than 40 unregistered publishing offices disguised as "state" establishments have been uncovered in the country during this time.

As the newspaper ZHONGGUO CHUBANSHI BAO reports, Song Muwen, deputy chairman of the recently created administration for the press and publishing houses, has stated that, despite efforts to intensify the campaign against illegal publications, their production is continuing to grow. The content of these publications is either pornographic or reactionary.

Two clandestine "publishers" in Beijing currently under investigation, the newspaper GUANGMING RIBAO writes, received 140,000 yuan from the sale of books published by them preaching a cult of violence. These and similar operators are flooding the book market with dubious literature, the newspaper comments.

Savenkov Cites PRC Official

PM250957 Moscow IZVESTIYA in Russian 21 Jun 87 Morning Edition p 5

[Yu. Savenkov disptach under the rubric "Ideology": "Press Rights Protected"]

[Text] Beijing -- The struggle against "bourgeois liberalization" is not the main reason for setting up a press and publications affairs directorate under the PRC State Council.

But there is a certain connection, Du Daozheng, chief of the directorate, noted at a press conference for Chinese and foreign journalists. Its main task will be to draw up laws, statutes, and regulations governing the work of the press and all publishing activity. A draft law on publishing activity has already been prepared by the directorate and submitted to the appropriate department of the State Council, after which it will be presented for examination to the Standing Committee of the National People's Congress which has the prerogative to pass laws.

During the last 10 years the number of different publications in the country has risen sharply (the number of newspapers has increased from 186 to 1,574, the number of journals from 574 to 5,240, and the number of publishing houses from 75 to 446!). In many cases, Du Daozheng pointed out, their professional level has been very weak and they have produced poor quality goods and often duplicated one another. Since the beginning of this year more than 10 million copies of books and other printed material manufactured and disseminated illegally have been confiscated in the PRC during the struggle against "bourgeois liberalization." During this time almost 200 illegal printing houses and more than 40 unregistered publishing bureaus masquerading as "state" institutions have been exposed in the country.

There is a very serious cadre problem. In one province, it was noted at the press conference, there are only 27 qualified editors and reporters available for 220 newspapers and journals. The newspaper RENMIN RIBAO has reported that only 40 percent of all Chinese newspaper reporters and editors have a higher education. And only 7 percent are journalism faculty graduates.

This year the press and publications affairs directorate has focused its attention on reorganizing and strengthening publications. Newspapers and journals which have published material against the CPC leadership and the socialist system will be the main targets of reorganization, as well as the gutter press, Du Daozheng pointed out. Some of them will be closed down while the publication of others will be temporarily halted and then renewed after matters have been regulated.

"In the draft law we have prepared," Du Daozheng noted, "we have incorporated a special article to protect the rights of newspapers, journals, publishers, and journalists. Our general intention is to give the green light to journalists more often than the red one."

PRAVDA CITES BEIJING PAPER ON KUNMING ARRESTS

PM250846 Moscow PRAVDA in Russian 24 Jun 87 Second Edition p 5 ,

[TASS report: "Report in the Newspaper GONGREN RIBAO"]

[Text] Beijing, 23 Jun -- As the newspaper GONGREN RIBAO reports today, in the city of Kunming, administrative center of the southwestern Chinese Province of Yunnan, Su Wenjiang, former chief of the provincial administration of the electronics industry, and Deng Zongming, former director of the Kunming radio equipment plant, have been arrested. "Old and used equipment" amounting to $200,000 was imported from Hong Kong to China with the direct connivance of these people.

It emerged during the investigation that under a contract signed earlier, one Hong Kong firm was to deliver to the PRC costly equipment for the production of miniature electrical components. While in Hong Kong in 1984 to check the fulfillment of the contract's provisions, Su Wenjiang and Deng Zongming received two cars as "gifts" from local businessmen, and subsequently "acted on the firm's instructions," knowing in advance about the substitution of old equipment for good quality equipment.

ANTIGOVERNMENT DEMONSTRATOR DIES IN PUSAN

OW252338 Moscow in Mandarin to China 1500 GMT 25 Jun 87

[Text] A week ago (Yi Tae-chung), one of the participants in an antigovernment demonstration in Pusan city, was injured when police took measures to disperse the demonstrators. He was sent to the hospital, but died after treatment failed. His head was injured after being struck by a tear gas canister.

Since 10 June, thousands upon thousands of people have rallied in various cities of South Korea, demanding the resignation of Chon Tu-hwan, a U.S.-puppet dictator, and demanding democratic reform. Police have cruelly suppressed the demonstrators, and many have been injured.

The Alliance of Opposition Forces and the National Coalition for a Democratic Constitution have announced that a democratic march will be staged tomorrow in many cities.

MOSCOW TV NOTES MONTH OF SOLIDARITY WITH S. KOREA

LD252106 Moscow Television Service in Russian 1430 GMT 25 Jun 87

["Vremya" commentary by political observer Vladimir Tsvetsov, from the "Vremya" newscast]

[Text] Today is the start of a month of solidarity with the Korean people's struggle for the withdrawal of foreign forces from South Korea and the unification of the country on a peaceful and democratic basis. The month is being held at the initiative of the World Peace Council. Here is a Vremya commentary. [video shows political observer Vladimir Tsvetov talking to camera]

[Tsvetov] The fact that the month begins on 25 June is not fortuitous. On that date in 1950 the Korean people entered into a war for its freedom and independence. [video shows brief archive footage of Korean war] The United States unleashed in Korea the bloodiest and most brutal local conflict, as it is generally called, since World War II, if one disregards the Vietnam aggression.

The war left a scar. Here you see it. [video shows pictures of soldiers patrolling and carrying out maneuvers in the south] Along the 38th parallel it has cut Korea into two parts -- North and South. The Korean people would have healed this scar. The Democratic People's Republic of Korea is striving to achieve this. However, this is being hampered by the United States, which has stationed 40,000 of its own troops south of the 38th Parallel. They are equipped with nuclear weapons and facilities for delivering them. [video shows clashes with demonstrators] Sensing American backing, the regime entrenched in Seoul is meting out brutal reprisals against those who are striving for the withdrawal of foreign troops and the peaceful and democratic unification of the country. This slogan is to be heard on the streets of South Korean cities along with demands for democratic liberties. The month that starts today is designed indeed to draw the attention of the world public to the Korean people's struggle.

However, the significance of this month goes far beyond the framework of the Korean peninsula. When he issued the order for entry into the war, Truman, the U.S. president, called Korea the United States' first line of defense.

Recalling this one cannot fail to draw an analogy with the zone of so-called vital interests that the United States has now extended to the whole world. In the third month of the war Truman very nearly decided to use the atomic bomb in Korea. One finds oneself automatically comparing this with the present stubborn unwillingness of the United States to set about nuclear disarmament.

Korea was no chance occurrence in postwar U.S. history. Korea was the first of a series of adventures including Vietnam, Guatemala, Cuba, Nicaragua, Libya and Grenada. Will there be a repetition of the adventure in Korea? No, but only if American forces are withdrawn from the south and the country is unified on a peaceful and democratic basis. It is for this reason that the month which begins today is of an international character.

SOVIET-JAPANESE TRADE, ECONOMIC TALKS CONCLUDE

LD251448 Moscow TASS International Service in Russian 1107 GMT 25 Jun 87

[Text] Tokyo, 25 Jun (TASS) -- Soviet-Japanese intergovernmental consultations on trade and economic issues, which ended here today, saw discussion of the state of and ways to further develop bilateral trade and economic cooperation. A wide range of subjects was considered concerning the expansion of trade turnover and the perfection of the structures and forms of trade and economic ties between the USSR and Japan.

The memorandum adopted on the results of the consultations notes that there are significant possibilities for the further expansion of mutually-advantageous trade and economic relations and stresses the need to apply efforts for creating favorable conditions for this. The sides also spoke out for setting up new forms of Soviet-Japanese business cooperation, including the creation of joint enterprises.

JAPAN-USSR FISHERY AGREEMENTS EXTENDED

OW221409 Tokyo KYODO in English 1254 GMT 22 Jun 87

[Text] Moscow, June 22 KYODO -- Japan and the Soviet Union Monday agreed to extend their two fisheries agreements without revision for another year and set up a joint panel of experts for Japanese cooperation in building a salmon hatchery in Sakhalin.

The agreement was reached at the second meeting here of visiting Japanese Agriculture, Forestry and Fisheries Minister Mutsuki Kato and Soviet Fisheries Minister Nikolay Kotlyar, Japanese sources said.

One of the fisheries pacts governs mutual fishing in each other's 200-mile economic zones, while the other concerns bilateral cooperation in fisheries.

The agreement between the two ministers will enable Japan to continue salmon fishing in northern waters next year under the existing framework, the sources said.

BIRYUKOV CITES NAKASONE ON U.S. MISSILE DEPLOYMENT

LD230716 Moscow TASS in English 0640 GMT 23 Jun 87

["Who Is Nakasone Playing Up To? -- TASS headline]

[Text] Moscow June 23 TASS -- Commentator Askold Biryukov writes:

Memories still linger of the speech made by the Japanese Premier Nakasone in Williamsburg where he called for the deployment of nuclear Pershings and cruise missiles in Western Europe. Now, at the regular meeting of the "seven" in Venice, he supported the deployment of nuclear medium-range missiles in another part of the world, on the territory of Alaska, in the United States, from where these missiles could reach the territory of the Soviet Union.

The head of the Japanese Government obviously wants the country of Hiroshima and Nagasaki to become firmly established in the role of a centre of resistance to nuclear disarmament not only in Europe but also in other parts of the world.

It is known that to solve the problem of eliminating medium-range missiles in Europe the USSR agreed with the United States in Reykjavik for each side to retain 100 warheads on such missiles -- the USSR in Asia and the United States on its national territory, but not in Alaska because Soviet missiles cannot reach American territory and vice versa. It is known that Washington would like to retain in the Asia-Pacific region its nuclear missiles that are deployed against the USSR and this compels the Soviet Union to search for an answer to this threat and to sustain the necessary balance.

At the same time the USSR is prepared to solve the problem of medium-range missiles on a global scale as well. All this requires is that the threat emanating from the United States nuclear arms deployed in Japan, South Korea, the Philippines, on board aircraft carriers and other American naval ships be withdrawn.

But the Nakasone government, while paying lip service to a "global zero option on medium-range missiles," does not strive in any way, and this follows from its statements, for an elimination of this class of nuclear weapons. Rather quite the contrary. It continues to add grist to the mill of those circles which resist in every way real steps in the field of nuclear disarmament. The Japanese newspaper MAINICHI noted in this connection that Premier Nakasone's position boils down to the following -- "the deployment of American missiles in Alaska will turn into a mighty card in the hands of the United States at talks with the USSR."

This approach by the government was firmly condemned, including in Japan, where it is criticised not only by the opposition parties but also by certain quarters in the ruling party. The prime minister's statement, MAINICHI continues, "became the ultimate manifestation of his position displayed in Williamsburg." The paper says this implies "the drawing of Japan into the nuclear strategy of the West."

Incidentally, the joining of the American "Star Wars" programme announced by the Nakasone government should be understood in the same context because, as it was rightly noted by the paper, SDI "is an embodiment of the present nuclear strategy of the United States."

By calling for the deployment of new nuclear weapons the Japanese premier not only insults the feelings of his own people, the first victim of the use of nuclear arms. He displays total disregard for the feelings and will of other peoples which have tired of confrontation and demand immediate and concrete efforts to speed up the process of disarmament and remove all the artificial obstacles standing in the way to freeing mankind of the burden of nuclear arms.

DRA SEIZES U.S.-MADE CHEMICAL FRAGMENTATION MINES

LD251018 Moscow TASS International Service in Russian 0610 GMT 25 Jun 87

[Text] Kabul, 25 Jun (TASS) -- More than 200 chemical fragmentation mines were recently seized by units of the Afghan Army in the Saroubi district of Kabul Province, Colonel Mohamed Khashem [name as received], an officer of the DRA Army General Staff has reported to an APN correspondent.

It is the first time we have seized these models, he said. The mine, which is dark green, comes in a black rectangular casing. On the casing is a marking providing evidence that we are dealing with a high-powered chemical fragmentation mine. It is stamped "Made in the USA." The mine is packed with white phosphorus, which on explosion forms a cloud of white noxious smoke, which affects the human upper respiratory tract and the nervous system. When it comes into contact with the skin, burning phosphorus causes deep burns.

The dushmans are receiving from NATO countries and certain other states new models of other chemical weapons. The Afghan Army has seized large quantities of French 82mm and 40mm chemical mines packed with a powerful poisonous gas. They have also seized chemical mines produced in Egypt and West Germany.

In recent days, the Afghan officer said, large weapons convoys have been intercepted in several provinces. Hundreds of chemical mines and grenades were discovered along with machine guns and mortars. In Qandahar Province, for example, a consignment of hand grenades stuffed with white phosphorus w[illegible] seized, as well as tear gas grenades. At the end of May a large convoy of weapons, including chemical ones, was detained near the town of Barikibarak [name as received] in Logar Province. There is information about the fact that the bandits intended to use the chemical weapons against Afghan troops stationed in the vicinity of the town Asasabad [name as received] (Konarha Province).

The enemies of national reconciliation in Afghanistan are counting on the wide use of chemical weapons in the war against their own people. The new material captured by the Afghan Army is a tell-tale confirmation of this, Col Mohamed Khashem believes.

WESTERN REPORTING ON DRA 'FRANKLY INSTIGATORY'

LD252119 Moscow Domestic Service in Russian 0930 GMT 25 Jun 87

[From the "International Diary" program, presented by Viktor Shcherbakov]

[Text] [Shcherbakov] An international conference of journalists is being held in Kabul. As you know, representatives of 40 countries, members of the Nonaligned Movement, and of three international journalists' organizations have gathered in the Afghan capital. They are discussing problems involving the growing role of the Nonaligned Movement in the struggle against aggressive imperialist forces, particularly the imperialist information and propaganda media. The conference is taking place at a time when the world public's attention is focused on Afghanistan. I ask our commentator Vladimir Fadeyev to dwell in more detail on this aspect of the question. He has repeatedly visited Afghanistan:

[Fadeyev] It is not the first time journalists have gathered in the Afghan capital. Afghanistan today is a place where the substance of our brother journalist is tried and tested. Those who have a clear idea of the danger of information imperialism have flown to Kabul to express their solidarity with the Afghan people, to see for themselves the process of national reconciliation, to speak of the successes and difficulties of the Afghan people who are fighting for their destiny and a better future. In brief, they have come here to fulfill their journalistic duty. From my experience with meetings of journalists entering the country through the front door, as the saying goes, I know that after this conference, too, readers, radio listeners, and television viewers of many countries will be able to continue to learn about the real everyday life of the Afghan people.

I have already said that in Afghanistan a journalist's substance, his mental ability, is tested. I have also mentioned the various roads that lead journalists to this country. These concepts should be put in perspective. I have come across people of my profession in Afghanistan who have a dirty pen. They got here by secret paths together with detachments of dushmans, and at press conferences they have willingly shared with me their true designs, remote -- in my opinion -- from creativity and objectivity.

I remember this now because now, too, as the progressive journalists are working in Kabul, the radio waves and pages of certain Western publications are literally crammed with information about Afghanistan -- information that is not simply remote from the truth but in my view is of a frankly instigatory character, aimed at thwarting the process of reconciliation, and distorting the true meaning of the peaceful initiatives of the present democratic government. Obviously obtained through the back door, this information relates obviously exaggerated so-called successes of the dushmans, which are immediately magnificently magnified by Western propaganda.

Here is an example of this fresh information on the sucesses by these foreign fighters: Western radio again reports that they have seized one of the major administrative centers in the south of the country, the city of Kandahar. One asks: How can one lie so brazenly? I have personally -- three times, if not more -- reported after such reports. Twice at the city's bazaar I was told by merchants that only a few hours before they had been visted by Western journalists with television cameras, and dushmans had staged for them acts of arson against ships and blamed it on soldiers of the people's militia.

How many similar examples can be cited? The flood of filth that the Western media is throwing at Afghanistan is incapable of sweeping away the true picture of events, which is becoming increasingly clear to the world public. It is clear even to an uninformed person that the link between Washington's propaganda attacks on the very idea of national reconciliation and the simultaneous intensification of military aid to the Afghan dushmans and Islamabad is a most direct link. The goal of the U.S. Administration is to prevent at all costs a settlement of the situation around Democratic Afghanistan. The latest Stinger rockets, discrediting of Comrade Najib's proposals on creation of a coalition government, and other unfriendly acts are all brought to bear.

That is why the opening today in Kabul of such a representative international conference of journalists representing the nonaligned countries shows that the represented countries are aware of the urgent need to halt the undeclared war in Afghanistan and develop the country along the road of progress, democracy, and independence.

DRA'S NAJIBULLAH ADDRESSES NONALIGNED JOURNALISTS

LD231820 Moscow TASS International Service in Russian 1555 GMT 23 Jun 87

[Text] Kabul, 23 Jun (TASS) -- An international conference of journalists of nonaligned countries started work in the Afghan capital today. Taking part in it are representatives of 40 states and three international organizations. The conference, on the theme, "Mass Media and Strengthening Trust Between Peoples, Establishing a Nonviolent, Nonnuclear World," was opened by S.A. Keshtmand, member of the PDPA Central Committee Political Bureau, chairman of the DRA Council of Ministers.

Najib, general secretary of the PDPA Central Committee, spoke to the conference.

The Afghan people, he said, view the holding of this conference as a sign of the high esteem of world civilization for our country.

The world, in all its variety, is to a large extent determined by the mass media. It is no accident that the Pentagon, the White House, and Western politicos throw mad sums of money away on psychological subversion and ideological persuasions of peoples not in agreement with their policy.

Despite the intrigues of hostile forces striving by any methods to isolate Afghanistan from the Nonaligned Movement, it has been, is and will continue to be true to "five principles." Suffice it to recall that Afghanistan was a founder of that movement, an active organizer and participant of the Bandung Conference.

The role of the movement in the struggle against aggressive militarist forces has been growing every year. But it is also no secret that owing to the heterogeneity of its composition and the permanent subversive activity of imperialism, the Nonaligned Movement has also got its own problems. And ensuring unity and cohesion of the nonaligned countries is one of the main problems.

The tenets of the Delhi Declaration about the principles of a nuclear-free and nonviolent world, signed by Indian Prime Minister R. Gandhi and M.S. Gorbachev, general secretary of the CPSU Central Committee, during his visit to Delhi in late 1986, are also closely interwoven with the basic principles of the nonaligned Movement. The significance of that document lies in its universal nature, in the fact that it appeals not only to reason but also to feelings, to human morals.

Having touched on the situation in Afghanistan, Najib noted that the national reconciliation today from appeals and slogans has turned into a reality. More than 60,000 refugees have returned to their land to date. More than 25,000 rebels have joined forces with the people's power. More than 100 bandit groups numbering tens of thousands of dushmans in their ranks have embarked on talks with the power bodies. Almost 6,000 people have been freed from prison.

The local elections are being conducted successfully. It is also interesting to note that the forming of local power bodies has been proceeding in an increasingly coalition-like way. Fourteen subprovinces and four provinces are headed by former rebels who pledged to abide by the laws of the people's power. There are more than 4,000 representatives from the other side among the members of reconciliation commissions. Five ministers from past regimes are working in the Council of Ministers.

We are sincerely interested in the speediest possible establishment of peace and calm in our ancient land and intend to go as far as necessary to achieve that objective -- including the creation of a coalition government which could include representatives of influential opposition forces who are concerend with Afghanistan's destiny. We do not spur history on, but we want peace and quiet to come to our land sooner. The policy line for normalizing the situation around Afghanistan is part and parcel to the efforts to achieve the speediest possible political settlement of the situation.

The Soviet Union has been, is, and will be, the Afghan people's best and friendliest neighbor. These are not merely words, they are a truth confirmed by history. Let everyone know: No provocation, no efforts can harm our friendship. We believe and hope that good will and resolve on the part of all parties involved will make it possible in the very near future to achieve mutual understanding and conclusive accords. To this end we have undertaken a series of bold steps. We are developing coalition form of government; we have initiated the creation of a multiparty system. But national reconciliation is a two-way street. We have properly gone our part of the way, it is now up to the opposing side.

Imperialist propaganda is doing all it can to keep silent on the revolutionary transformations in Afghanistan and to consign to oblivion everything being done by the will of the Afghan people. In recent years in the documents of the Nonaligned Movement contain the term "information imperialism" more and more often. What is meant by this is a particular form of subversive actions by international imperialism against the revolutionary progrssive forces of modern times, against the world of socialism, and against the national liberation movement of peoples. The chief tarets of "information imperialism" are the liberated countries of Asia, Africa, and Latin America.

One more thing must be noted: A signficant part of the mass information media of the West is controlled by the special services and is actively used in international imperialism's international offensive against developing countries. An example of this is the ideological war against the DRA. It is being waged openly and brazenly. Tens of thousands of copies of hostile literature are sent out and distributed -- from handwritten posters to hostile leaflets, bulletins, magazines and books printed in first-rate printing houses. In such a situation much that is beneficial to the Afghan people and their friends can be undone by international and regional journalism.

The Nonaligned Movement has long recognized the serious danger of "information imperialism," the domination of the imperialist propaganda and information services, and it has begun a systematic struggle against this evil.

We constantly exchange information with many countries of Asia, Africa, Latin America and Oceania. We are particularly grateful to the USSR's information services for helping us receive information on all important aspects of the life of various countries.

We are grateful to all of those honest journalists who have put their pen at the service of reflecting revolutionary truth.

In conclusion, Najib wished the participants in the conferences success in their work.

The representatives of India, Syria, the PDRY, Nigeria, and other countries who spoke at the conference stated their resolve to oppose "information imperialism" and supported the course of national reconciliation being conducted by the DRA Government.

FRANCE, FRG TALKS 'MILITARISITIC', 'DANGEROUS'

LD242322 Moscow in French to France and Belgium 1700 GMT 24 Jun 87

[Text] President Francois Mitterrand and Defense Minister Andre Giraud have approved the proposal by West German Chancellor Helmut Kohl on the establishment of a French-West German military formation. According to President Mitterrand, this is the prototype for the common defense of Europe. The moment chosen for the announcement of the establishment of a mixed brigade, our observer Vsevolod Mikhaylov writes, is very telling.

In Europe the first concrete steps are being sketched out to pave the way to disarmament, with, on a practical level, discussion of the problem of eliminating medium- and shorter-range Soviet and U.S. missiles from Europe. Thus real prospects are arising for ridding Europe of nuclear weapons, with France and the FRG, albeit with many reservations, officially backing the double-zero option. In this context it is impossible to see the new militaristic project declared by Bonn and supported by Paris as anything but a countermeasure, and a deliberate attempt to snub the antinuclear movement which has taken shape in Europe. After all, it is not merely a question of a French-West German brigade, nor of the duty attachments to be carried out over the next 10 years by all the officers of the FRG Armed Forces in the French Army, and vice-versa. What we are talking about is much more important -- namely dangerous large-scale militarist meaneuvers whose aim is to establish a new military alliance -- the so-called European defense -- and the FRG's unconditional association with nuclear weapons.

A number of politicians on both sides of the Rhine associate these plans with the European defense project. According to Alfred Dregger, president of the CDU/CSU group in the Bundestag, for example, the two countries form a strategic unit owing to their geographical situation. The group believes that this circumstance calls for appropriate conclusions in respect to both conventional and nuclear weapons.

The FRG does not want to abandon the hope of having access to nuclear weapons at all costs, and not only by developing such weapons on its own territory. Judging by the statements of West German leaders, they would like to take advantage of European defense in order to have the last word in the use of those weapons. This is not the first time Bonn has shown its nuclear ambitions, and there is thus no surprise on that score. What is surprising, however, is the exceptional readiness with which Paris wants to satisfy the nuclear appetite of the West German military. The political precepts of General de Gaulle, who was vigorously opposed to all plans to integrate the FRG into the nuclear program, have been forgotten, just as political common sense and elementary logic have been. Not only the right wing, but also Socialist figures such as Former Defense Minister Charles Hernu stress the need to forge ahead and begin studying the formation of a new concept of so-called enhanced deterrence, which means the integration of the FRG in the sphere of activity of the French nuclear force.

With the prospect of the elimination of Euromissiles, Paris thus intends to offer a sort of nuclear compensation to the FRG in the shape of a French nuclear umbrella. What, then, will happen to the independence of the French nuclear force which Paris carefully prevents from being included along with that of NATO? It is very well known that the FRG is not content with being the biggest European NATO power; it also remains the United States' principal military partner in Western Europe. According to statements by its leaders, it has no intention of giving up its leading role. For Bonn, the extension of military cooperation with France means, in fact, even greater integration into NATO's military strategy. How, then, is one to know whether or not France is involved in NATO's military systems? Whatever happened to the independence of the French Nuclear deterrent?

Michel Debre, the former prime minister and a close aide of General de Gaulle, recently stressed that Paris is adopting an illogical and inconsistent attitude to Chancellor Kohl's idea. He rejected the idea of the formation of a French-West German brigade, pointing out that it runs counter to the spirit of the national deterrent strategy. Indeed, having adequate means to guarantee one's own security is one thing, but stepping up the danger of a nuclear catastrophe in a bid to extend one's nuclear umbrella to other countries is something else again. Paris and Bonn cite the survival of Europe as the pretext for the establishment of a European defense. In reality, however, they are concerned not with the future of Europe but with their own nuclear ambitions, which are diametrically opposed to the aspirations of the European people to rid the continent of nuclear weapons. They are playing with fire. To say the least, they are being less than serious in pretending that there is nothing to give rise to concern.

ZHUKOV ADDRESSES FRANCO-FRG DEFENSE COLLABORATION

PM251039 Moscow PRAVDA in Russian 23 Jun 87 Second Edition p 5

[Yuriy Zhukov Commentator's Column: "Nothing More Than a Symbol?"]

[Text] FRG Chancellor Helmut Kohl's speech at a press conference in Bonn has caused quite a fuss in West Europe. That was no coincidence because the chancellor was advocating the expansion of military cooperation with France and for that purpose the creation of a joint military formation, a West German-French brigade, which would symbolize that cooperation. President Francois Mitterrand of France, speaking 2 days ago in Cahors, approved this proposal.

What in particular does the French president like about the FRG chancellor's plan? The following: "The formation of a joint military subunit," he stressed, "will be a prototype of the so-called 'joint European defense'." That same defense plan, I should like to add, which the French Parliament rejected over 30 years ago -- and for the very reason that it saw it as a threat to French national interests.

Paris is saying that the creation of a "West Eurpean security union" (to use the words of A. Dregger, chairman of the CDU/CSU [Christian Democratic Union/Christian Social Union] Bundestag group) will enable Western Europe to achieve greater independence in defense matters. But Bonn is in a hurry to reassure Washington that this plan in no way weakens the bonds of unity with the United States.

"This is not a question of the reorganization or disbandment of the Atlantic community," West Germany's well-informed GENERAL ANZEIGER stressed on 20 June. "In essence the idea of expanding cooperation between the FRG and France in the security sphere has been in existence for a long time. However, a new emphasis has appeared in the statements on the need for closer partnership among the European countries within the NATO framework and above all between France and the FRG...."

What emphasis is that? This question was answered on 2 May by CSU leader F.-J. Strauss. He stated that "the time has come to create a joint European nuclear potential." At the present time, when the question of eliminating the U.S. and Soviet medium-range and operational-tactical nuclear missiles sited in Europe is being tackled, Bonn is stepping up its attempt to secure a French "nuclear umbrella" and, if successful, a British one, too.

The facts now show that Paris is not opposed to going halfway toward satisfying those wishes. LE MONDE recently reported in an article entitled "Joint Defense" that "Paris could fit the nuclear warheads to the missiles which Bonn is capable of building." To this it only remains to be added that G. d'Estaing, chairman of a National Assembly commission, has proposed that France "announce that the independent nuclear deterrent forces will be used for the defense (!) of West Germany" (quote taken from the NEW YORK TIMES of 19 June).

As for the discussion on the creation of a "joint Franco-West German brigade" to symbolize cooperation between the FRG and France, this "symbol," in my view, has been devised merely to conceal the true nature of the matter.

CHERNYSHEV COMMENTS ON KOHL MISSILE STATEMENT

LD241859 Moscow TASS in English 1747 GMT 24 Jun 87

[Text] Moscow June 24 TASS -- TASS military news analyst Vladimir Chernyshev writes:

At the June 23 meeting of the CDU-CSU group in the Bundestag, Chancellor Helmut Kohl of the Federal Republic of Germany (FRG) again pressed for not including U.S. nuclear warheads which are intended for the West German Pershing-1A missiles in a future Soviet-U.S. treaty on medium- and shorter-range missiles.

To make the case more convincing, the chancellor gave a whole number of 'considerations' which in actual fact only indicate that something is wrong with his logic.

Take, for example, two of his premises. The first of them is that only the weapons possessed by the negotiating powers should be considered at the talks in Geneva.

The other one is that the government of the FRG has no right to be in charge of U.S. nuclear warheads for Pershing-1A missiles, and does not seek to get such a right.

The most elementary logic calls for drawing the following single-valued conclusion from these two premises: once the warheads are American, this means that they are not West German. If they belong to the United States and are intended for shorter-range missiles (and the Pershing-1A ones are such), then they should be included in a treaty envisaging the elimination of all missiles of this class.

The demand for keeping such warheads in U.S. possession directly contradicts the U.S. consent to full elimination ("full zero") of shorter-range missiles of the Soviet Union and the United States in Europe. Such an approach is obviously aimed at gaining unilateral advantages for NATO.

Then Helmut Kohl tried to "substantiate" the need to keep U.S. nuclear warheads for West German missiles by saying that the Soviet Union would keep 100 warheads for SS-20 missiles in the Asian part of its territory and thereby, ostensibly, 'a potential threat posed by such systems to Western Europe would keep on'.

In so doing the chancellor "forgets" that on a reciprocal basis the United States would also have 100 warheads on medium-range missiles. But again the association with missiles belonging to the FRG is far-fetched.

The U.S. warheads for shorter-range missiles have no bearing at all on Soviet strategic nuclear systems.

The chancellor ties everything up into a single tangle by stating that Soviet strategic systems 'will threaten Western Europe'.

Let it be known to Helmut Kohl that the sides participating in the Geneva talks have agreed to single out strategic systems for a separate solution. This is to the credit of the Soviet Union which agreed to meet the USA half-way, although U.S. medium-range missiles in Europe are strategic arms with regard to the Soviet Union and its allies.

So, all the 'arguments' adduced by the chancellor of the FRG are quire untenable, and this must be clear to any unprejudiced person.

Full elimination of Soviet and U.S. medium- and shorter-range missiles clearly signifies the impossibility of leaving any warheads for the missiles of these classes in Europe on this or that side.

A different approach would be illogical and dangerous. As for the insistence with which Helmut Kohl advocates the keeping of U.S. nuclear warheads, it is explained quite simply: The chancellor of the FRG grudges parting with the role of 'co-possessor' of nuclear weapons and losing nuclear warheads for West German missiles.

'REVANCHIST' GROUPS ACTIVE, SUPPORTED BY FRG

PM231119 Moscow KRASNAYA ZVEZDA in Russian 23 Jun 87 First Edition p 3

[Lieutenant Colonel G. Temko's "International Remarks": "Revanchist Calls"]

[Text] A wave of revanchism is once more rolling over the FRG. A noisy gathering of the so-called "Silesian German Landsmannschaft" has just ended in Hannover. Provocative calls for rearranging the European borders were once more heard at that assembly. The "forever yesterday's men" again made groundless claims to lands belonging to socialist states. The gathering of "Silesians" is just one link in a long revanchist chain of similar provocative events. A gathering of the "Sudeten German Landsmannschaft" held earlier in the month in Nuremberg attacked the decisions of the Potsdam Conference and the principles of the UN Charter, the CSCE Final Act, and the bilateral agreements signed between the CSSR and FRG Governments. Rallies were also held by other revanchist groupings, which are fairly numerous along the banks of the Rhine.

It is typical that official Bonn is favorably inclined toward the provocative activities of the "forever yesterday's men." The participants in the Hannover gathering, for example, received a greetings message from FRG Chancellor H. Kohl and Inner-German Relations Minister D. Wilms, which promoted yet again the thesis of an allegedly "open German question." Many eminent spokesmen of the ruling coalition in the FRG openly display solidarity with the revanchists. The Polish newspaper TRYBUNA LUDU had good reasons for sharply criticizing the stance taken by the Christian Democratic Union/Christian Social Union faction in the Bundestag. The opportunity was provided by "theses" in which Christian Democrat spokesman demand that the question of freeing Europe from nuclear weapons be "Linked" with the "unification of Germany." Faction Deputies Friedmann and Dregger suggested that this "problem" be raised as a condition for the disarmament process in Europe.

It is well known what certain FRG circles mean by the "unification of Germany." The revanchists would like to lay hands not only on the GDR territory and the northern and western lands of the Polish People's Republic. They are also hankering after territory belonging to other socialist -- and not only socialist -- states in Europe. Attempts to disrupt the just territorial-political order established on the continent of Europe after World War II in line with the Yalta and Potsdam Conference decisions cannot fail to cause concern among European peoples.

Under the present circumstances, raising doubts about the order established on the basis of generally recognized agreements means playing with fire. It has been repeatedly noted in joint documents that the Warsaw Pact states will most resolutely oppose this dangerous trend. The Berlin conference of the Warsaw Pact States' Political Consultative Committee emphasized again that activity by revanchist forces, primarily in the FRG, and any encouragement of revanchism wherever it may occur run contrary to the interests of detente and security and the spirit and letter of the Helsinki Final Act. Such activity will continue to be most resolutely rebuffed.

Recognition of the territorial and political realities established as a result of World War II and primarily respect for existing borders in Europe lie at the core of ensuring European security. This is why the revanchists' calls for the reshaping of borders cause indignation among the peace-loving public.

A warning must be given to those "prophets" who, in the context of such important issues as the elimination of medium-range nuclear weapons in Europe and the freeing of the continent from all types of nuclear weapons, have again started talking about the "reunification of Germany," GDR leader E. Honecker noted a few days ago. The only thing that can be said about these people is that they themselves do not know what they are doing. It is, after all, well known that there is nothing to be "reunited," since the GDR and the FRG have never been one, they are worlds apart -- the socialist and the capitalist worlds. The sooner this is understood everywhere in the West, and primarily in the FRG, the better it will be for the future of mankind and for ensuring peace all over the world.

The Third Reich was consumed forever in the flames of the war it unleashed. And there will be no return to it. The revanchists' illusory calculations are not fated to materialize.

DPA CITES COMPLAINTS ON MEETING HELD IN W. BERLIN

LD231658 Hamburg DPA in German 1353 GMT 23 Jun 87

[Text] East Berlin (DPA) -- The Soviet Union has complained to the three Western allies about a session of the extended European Parliament Presidium in West Berlin at the end of May. According to the Soviet Embassy in East Berlin on Tuesday, the presidium's invitation by Lower House President Philipp Jenninger was described in a demarche to the Western powers as "obviously not in accordance" with the requirements of the four power agreement.

Under the due processes, the FRG and its representatives were not permitted to invite international organizations to Berlin (West) whenever they wished, it said. There had been several such cases recently in which official FRG representatives had tried to appear as hosts in West Berlin and had received foreign statesmen outside the state territory of the FRG. This could only arouse concern.

The Soviet Embassy gave this information about the demarche, reportedly delivered approximately 2 weeks ago, to Western journalists at the same time as a delegation from the socialist group in the European Parliament is visiting East Berlin. The EC parliamentarians were received Monday by People's Chamber President Horst Sindermann and the SED Politburo member responsible for international relations, Hermann Axen. Usually there are no announcements about diplomatic initiatives between the allies.

The demarche says the Soviet Union supported participation by Berlin (West) and its inhabitants in international economic and cultural relations on an overall European and regional level. But security and status questions about the city should not be affected by that. No attempt should be made to include Berlin (West) in political or military integration plans within the European Community.

SHEVARDNADZE RECEIVES GREEK ENVOY, MESSAGE

LD241655 Moscow TASS in English 1626 GMT 24 Jun 87

[Text] Moscow June 24 TASS -- Eduard Shevardnadze, member of the Political Bureau of the CPSU Central Committee and minister of foreign affairs of the USSR, today received the Greek ambassador in the USSR Ioannis Grigoriadhis on the latter's request.

The ambassador presented a personal message from the Prime Minister of Greece Andreas Papandreou to the General Secretary of the CPSU Central Committee Mikhail Gorbachev in reply to his message that was presented to the head of the Greek Government on May 14 in Athens by Mikhail Solomentsev. The message outlines the Greek position on a number of pressing international problems and also on questions of bilateral relations.

Eduard Shevardnadze stressed that much importance is attached in the Soviet Union to the existing practice of exchanging messages between the leaders of the two countries. The coincidence or closeness of the positions of the USSR and Greece on the fundamental problems of our time, first of all on questions of preserving peace and strengthening international security, is gratifying. We highly value the support given by the Greek Government to our proposals on the double zero option on Euromissiles and the complete prohibition of nuclear tests, as well as Andreas Papandreou's initiative concerning the creation in the Balkans of a zone free of nuclear and chemical weapons, and the positive attitude of Greece to turning the Mediterranean into a zone of peace, security and cooperation. The Soviet side expressed readiness to further maintain contacts with Greece, including as with one of the active members of the "initiative of six", which is having a positive influence on the forming of a favourable political climate for advancing the process of disarmament.

Questions of relations between the USSR and Greece were discussed during the conversation. It was noted that on the whole they are on a high level, especially in the political field. Both sides expressed readiness to further intensify them.

FURTHER REPORTAGE ON CENTRAL COMMITTEE PLENUM

Theses of Gorbachev Report

PM261230 Moscow KRASNAYA ZVEZDA in Russian 26 Jun 87 pp 1, 2

["Theses of the Report by General Secretary of the CPSU Central Committee M.S. Gorbachev given at the CPSU Central Committee Plenum, 25 June 1987" under the headline "On the Party's Tasks in Radically Restructuring the Management of the Economy"?]

[Text] I

Questions of key importance for fulfilling the decisions of the 27th CPSU Congress, for further deepening the restructuring drive and accelerating the country's socioeconomic development are to be studied at this plenary meeting.

Life has confirmed the correctness of the course elaborated by the party. The restructuring now under way in the country is a direct continuation of the cause of the October Revolution, evidence of the party's loyalty to the revolutionary cause of Marxism-Leninism.

Every generation of Soviet people has made its contribution to the development, strengthening and defense of the gains of the Great October whose 70th anniversary will be celebrated in several months. The citizens of the socialist homeland justly take pride in their history and are confident about the future.

The need to impart a comprehensive, all-round nature to the renewal was convincingly demonstrated at the CPSU Central Committee January Plenum, and the course of more democracy in all spheres of our society's life was substantiated as the main condition of drawing the broad popular masses into the renewal drive, as a guarantee that all that has been started will be seen through to the end.

Renewal has begun in all spheres of Soviet society's life. A noticeable change has occurred in social consciousness, the moral and psychological situation in the party and society is changing and spiritual life has become more vibrant. Unquestionable positive results are being produced by the perfection and development of the political system. The resolute turn toward democratization of society is a major political gain of the party. Experience convincingly shows that here, too, a correct path has been chosen.

We have entered the most difficult period of restructuring -- the period of practical deeds. The success of restructuring depends mainly on shifting the emphasis to launching painstaking and determined work to fulfill the adopted decisions.

The certain positive changes along many directions of the restructuring give no reason for complacency. Too many urgent problems have accumulated and they cannot be solved within a short period of time. It is the opinion of the Central Committee Politburo that in the first turn we should deal with a clear-cut definition of priorities, the rates and timeframe of the restructuring. Each stage of the restructuring should have its clear-cut aims and tasks.

The course of the restructuring shows that so far the necessary changes are taking place slowly. This concerns the economic, social, and ideological spheres, and the work of party, government and economic bodies, the leading cadres, the life and activity of work collectives.

A lag has been allowed to form in the fulfillment of a number of important decisions on questions of socio-economic development adopted after the Central Committee April Plenum and the 27th CPSU Congress and this cannot be left without a serious analysis and the adoption of concrete practical measures. In many instances party, government and economic bodies, public organizations fail to keep pace with the rapidly mounting processes in society.

Fear of democratic changes manifests itself quite frequently. This despite the principled character of the issue -- restructuring needs a genuinely democratic acceleration. It is only on the basis of democracy that the masses of working people can be drawn into vigorous economic, cultural and social activity, that a favorable atmosphere can be created for the pursuance of an effective personnel policy, that errors can be avoided in the working out of decisions and effective control from bottom to top attained.

The development of socialist democratism, restructuring of the economic management mechanism require a high level of organization and conscious discipline, strict observance of the order and rules of life in socialist society. In turn, vigor, initiative developing within the framework of law should be supported and encouraged in every way, not fettered by petty regulations, invented instructions and all sorts of directives. Such a turn in policy presupposes a most serious restructuring of all state bodies.

Evidently we have the right to say at this Central Committee Plenum that we have fully approached the question of radically restructuring the state and economic apparatus.

The period since the January plenum has once again raised with all acuteness the question of the need of new creative approaches in party work. The party must skillfully give guidance to the processes taking place in all spheres of society. The Politburo proceeds from the premise that all party organizations are duty bound to be in the vanguard of transformations. We must not allow a situation where the restructuring taking place in society would outpace the understanding of these processes in the party, the more so in its guiding bodies, where restructuring in the party itself would lag behind the changes taking place in society.

Yet the renewal of the style and methods of work of party bodies, of our cadres so far is being carried out with insufficient vigor. A study of the activity of party bodies, including of the district and city level, shows that by far not all of them have become imbued with the ideas and deeds of the restructuring.

After the January plenum we achieved in the party and society a new level of confidence that the restructuring is irreversible, and have added strength and vigor in our actions. But much yet remains unchanged or has changed too little, in any case not in the way the times demand. People are voicing concern about the fate of the restructuring and raising before the party's Central Committee the question of increasing exactingness, enhancing responsibility for the entrusted job in party, state and economic bodies, at all levels. The time has come to demand an account from those who by their inaction put a brake on the implementation of the ripe transformations.

II

What currently restrains the development of the economy? We must state it bluntly -- the ineffectiveness of the economic mechanism, the system of management. The process of profound changes in the management of the economy began during the past two years, being mastered are new methods of management worked out on the basis of an analysis of the situation that formed late in the 1970s and early 1980s and a series of economic experiments. Much has been done but only partial results have been achieved. There are changes, but they are insignificant and not radical. The main work to form an integral system of managing the economy lies ahead.

The concept of a radical reform, worked out by the party and submitted for consideration by the present plenary meeting, is a result of a critial analysis of historical experience, an answer to the new conditions and requirements. It is directed at reorienting economic growth from intermediate to end results, socially significant ones, at satisfying vital requirements, overcoming the situation of shortages that rules out efficient conduct of the economy, giving the consumer a priority in economic relations, rights and possibilities of choice, turning scientific and technilogical progress into the main factor of economic growth, creating a reliably operating cost-cutting mechanism. Its essence is in the transition from the predominantly administrative to predominantly economic methods of management at all levels, to extensive democratization of management and the utmost invigoration of the human factor.

The proposed restructuring includes:

Firstly, a drastic expansion of the margins of independence of amalgamations and enterprises, switching them to full cost-accounting, raising responsibility for the highest end results, fulfillment of obligations to clients, establishment of a direct dependence of the level of incomes of collectives on the effectiveness of their work, extensive development of collective contract in labor relations;

Secondly, radical transformation of the centralized management of the economy, raising its qualitative level, concentration on the main issues determining strategy, quality, rates and ratios of the national economy's development, its balance and at the same time resolutely relieving the center from interference in the day-to-day activity of subordinate economic bodies;

Thirdly, cardinal reform of planning, price-forming, financing and crediting, management of material and technical supplies, scientific and technological progress, labor and social processes;

Fourthly, creation of new organizational structures, this ensuring deepening specialization and reliability of coproduction ties, direct involvement of science in production and on this basis a breakthrough to the world standard of quality;

Fifthly, transition from the excessively centralized, command system of management to a democratic one, development of self-management, creation of a mechanism of invigorating the individual's potential, precise delimitation of functions, fundamental change in the style and methods of activity of party, government and economic bodies.

Deep-going revolutionary transformations in the economic mechanism are possible only if there is a clear-cut understanding of their meaning and general directedness. [paragraph continues]

Politically they are utterly clear to us and are expressed by the following formula -- more socialism, more democracy. Hence the main criterion of the correctness of the actions taken -- acceleration of social and economic development, genuine strengthening of socialism.

The principal question of the theory and practice of socialism is how to create more powerful stimuli to economic, scientific, technical and social progress on a socialist basis than under capitalism and how to combine the planned guidance with the interests of the individual and the collective.

This is the most complex question, whose answer the socialist thought and social practice have been seeking and continue to seek. Vladimir I. Lenin constantly turned to it, right up to his last articles.

This is precisely what we have currently encountered. Herein is the root cause of our main problems and contradictions. Many issues are to be resolved. We see the key to creating effective incentives and mechanisms to stimulate social labor in ensuring the status of true master for the workingman, both at his work place, in the work collective and in society as a whole. The interest of the working people as the masters of production is the strongest interest, the most powerful force in accelerating socioeconomic, scientific and technical progress.

Hence the need to work out new notions about such a basic issue as socialist property. We have begun this work but it is essential to resolutely deepen it to fully reveal the content of socialized property in all its wealth as economic relationship between people, collectives, enterprises (amalgamations), sectoral, inter-sectoral and territorial complexes, and as an elaborate system of interests and incentives.

The present conception of socialized property also includes the recognition of the need for economic competiton and competitive spirit between enterprises, including those between state-run and cooperatives for better satisfaction of social requirements, and a curb on the monopoly position of individual enterprises.

The problems of interaction between centralized planned guidance of the national economy and the independence of its individual sectors, and between planned character and commodity money relations deserve serious re-thinking.

In short, it is essential for us, proceeding from the requirements of development at the present stage, to renew the notions of economic forms of socialism so as to give scope for radical restructuring of the economic mechanism.

During this restructuring we should achieve a higher stage of development of socialist production relations. They should be brought into line with contemporary production forces. Without that we shall not be able to give new stimuli and the second wind to socialist development.

III.

What should a radical reform of management be started with? We faced such a question following the 27th CPSU Congress. Of course, there is a logic of its own in starting a process of restructuring the economic mechanism under conditions of the planned economy by changing the functions of centralized guidance agencies.

But we went along a different way: We began radical transformations of the economic mechanism from the basic element -- the enterprise (amalgamation) -- to create, first of all, the most favorable economic environment for it, to fix its rights, to raise its responsibility, and on this basis to introduce radical changes to the activities of all higher managerial authorities.

We proceed from the premise that the enterprise (amalgamation) is the foundation of our economic cause. The main social progress unfolds in this sector: Products are made through people's labor, and the scientific and technological thought is getting materialized. It is in this sector that economic and social relations really take shape, and the interests of people -- personal, collective, and social -- intertwine.

A success of the reorganization as a whole depends on how we shall change the state of affairs in the main sector.

How does one visualize a contemporary economic mechanism of the enterprise (amalgamation)? It is of utter importance to approach its adjustment in an absolutely unprejudiced way, without tying oneself with the stereotypes and notions of the past, and proceeding only from the interests of economic and social efficiency.

It is meant that a plan for the production and marketing of output is drawn up by the enterprise itself on the basis of social requirements and effective demand. The interests of society are guaranteed through orders placed by the state. As for attaining a balanced character, control figures are used to ensure it. They should serve as initial data for the elaboration of a plan, and not be of directive nature.

The role of contracts in planning, estimation, and material stimulation of the activities of enterprises will sharply rise in this connection, which also presupposes an increase in mutual responsibility of the customer and the producer.

The enterprise is made fully responsible for the utilization of resources alloted to it, and the level of the workers' incomes is made directly dependent on the end results.

All current expenses, including the remuneration of work and lump-sum investments in the expansion and reconstruction of production are paid from earnings.

The state is not responsible for the obligations of the enterprises. Budgetary financing is, as a rule, excluded. At the same time ample opportunities for a responsible utilization of banking crdit are given.

The blending of national interests with those of the collective is achieved through a system of economic norms. These are payments to the state budget for production assets, land, water, labor resources, the norms of the formation of funds for the remuneration of labor and satisfaction of socio-cultural needs, bank interest at an economically valid level, and so on. The prices of output and tariffs on services also act as a kind of economic norm.

Two variants of full cost-accounting of enterprises and amalgamations are possible. One of them is based on the normative distribution of net income (profit), and the other one on the distribution of gross income (net output) [paragraph continues]

Each of them has both strong and weak points. As is provided for by the draft Law on the State Enterprise, a simultaneous application of the one and the other in various spheres of the economy is possible.

The operation of an enterprise on the basis of cost accounting will be effective only if the enterprise is able to rapidly acquire the needed feedstock, materials, components, machinery and equipment. This presupposes a transition from the material and technical support in the form of resource allocation to a predominantly wholesale trade in the means of production.

Self-management of the work collective is the major element of the new economic mechanism. This is a powerful stimulus to the display of initiative, independence, energy and resourcefulness of the working people. It is essential to free the collective of superfluous patronage and control, and to show greater trust in its decisions.

So, the point should be to create an economic mechanism which will be effective and at the same time simple and understandable to every worker. The main features of the new economic mechanism are reflected in the Draft Law on State Enterprise (Amalgamation).

IV

The fundamental principle of running the socialist economy is democratic centralism. The task is to lend centralized guidance an entirely new look. It should be focused on issues that can indeed be solved only in the center. This includes, first, steering national strategy for social, economic, scientific and technological development and regulating macroeconomic processes on the basis of a completely and dependably balanced economy and, second, providing essential conditions for efficiently managing factories and amalgamations, which are the linchpin of the economy.

The administrative system of management, which has shaped in conditions where the economy has been developed extensively, makes it possible to perform neither of the two jobs efficiently.

What kind of planning is needed in present conditions? What is the point of departure, the "philosophy" for a national plan? It should include a set of priorities and goals for national development, define guidelines for structural and investment policies and for scientific and technological progress, social targets, and the tasks of increasing the research, educational and cultural potential and of maintaining defense capability. In these conditions the "determinant" part of planning, most notably the concept for social and economic development over the next 15 years, has a growing role. A five-year plan with breakdown targets for each year should become the decisive form of state planning in fact.

To achieve planned proportions and balance in the economy, the ministries and departments as well as the constituent republics will be given target figures. In relation to a limited number of estimated indices, they will be handed down to factories as a reflection of social needs and as a guidepost for planning. However, the principal lever to be applied by planning agencies to factories for planned targets to be met will be economic norms and incentives. They should make it profitable for factories (amalgamations), guided by target figures, to look for ways of supplying social needs most efficiently.

A radical reform of the pricing system is a most important part of the economic overhaul. Once should be fully aware a new management system cannot be fitted into the existing system of prices since the latter has shaped and existed for a long time in conditions where the economy has been extensively developed. What is meant is not some partial improvements in the system of prices, but a radical reform of the pricing system. New political and economic approaches corresponding to the present stage of development should be taken in this work. The whole of our pricing system, including wholesale, purchasing and retail prices and tariffs, needs to be re-built as a package. Clearly, the importance and complexity of the pricing reform make it imperative to begin preparing it without delay. This involves a tremendous amount of work and effort has to be exerted to do it.

It is exceptionally important to restructure the material and equipment supply system. Emphasis should be on changing over decisively from resource allocations to wholesale trade. State material and equipment supply agencies would, in the final analysis, retain the functions of ensuring balance where resources are concerned, regulating wholesale trade and exercising control over it.

One often hears that wholesale trade can only be introduced as the deficit of resources is overcome. Let's discuss the matter and take a critical look at this judgment. The issue is, as experience has demonstrated, switching over to self-financing drastically reduces demand for the means of production and offers a possibility to bring the stocks of goods and materials assets, which in industry, agriculture, construction, transport, and communications alone have exceeded 300,000 million roubles, back to a normal level.

Important, far-reaching decisions were recently taken on foreign economic policy and the mechanism for effecting it. They offer wide scope for modernizing our foreign economic relations, making them more efficient and increasing the influence of the external market on the activities of industries and factories, the quality of their output, and scientific and technological progress.

Major problems have piled up in the field of finances, crediting and money circulation. The country's financial system has grown basically outdated. It is divorced from production and often pursues short-term fiscal objectives, without stimulating better economic management. Crediting has in a large measure lost its specific features such as the principles of reimbursement, security, repayment and purposefulness. Circulation channels are overflowing with money and inflation processes are developing. The situation must be changed resolutely.

The new economic mechanism should help do away with shortages and financial imbalances in our economy. There appears to be the need to draw up a special program to make the national economy financially healthier and eliminate the scarcity of goods and materials persisting there. This major problem should be solved by carrying out a package of measures pertaining to production, finances and organization and adopting a flexible pricing policy.

In short, a radical financial and crediting reform is needed, one closely connected with a pricing reform and an overhaul of the material and equipment supply system.

V

The economic slowdown mechanism is matched by a cumbersome administrative structure with a staff caring first of all about their departmental interests rather than about meeting social needs fully and efficiently. All this is incompatible with the new economic mechanism. Management organs should direct their efforts at coping with specific economic goals and securing maximum end results. Managerial personnel at every level in the new conditions should learn to use economic and cost-benefit as well as administrative levers of management adeptly. This calls for high professional and economic qualifications and new style and methods of work.

It is essential to turn once again to organizational forms at the linchpin level of the national economy. A further and strong impulse is needed here. The gate should be thrown wide open to all manner of integration processes, which should not be subject to any uniform schemes, especially on the horizontal plane. It seems that as factories and amalgamations are converted to full-scale profit-and-loss accounting and self-financing, they should be granted the right to launch joint ventures on a basis of share-holding up to, and including, a complete merger, if this is dictated by economic expediency.

Switching enterprises to full economic accountability and self-management urgently calls for re-organizing the activities of industrial ministries fundamentally. They should be relieved of the functions of day-to-day management over amalgamations and factories. The ministries should really become the scientific, technological, planning and economic headquarters of their industries, be responsible for bringing production and its quality to world levels, and vigorously go about improving their sectors structurally and promoting specialized- and cooperative-production arrangements. The ministries should have at their disposal leading research and development organizations and centralized funds by dint of which it is expedient to set up new enterprises and support work collectives through major modernization and expansion schemes. The vast majority of industrial ministries may actively join in foreign economic activities. The role of ministries in re-training personnel and upgrading their qualifications should be increased. As the suggested measures are realized, there may arise the issue of merging some ministries.

After many years of discussions in the national economy a system of intersectoral management is being fashioned. Despite all organizational deficiencies, the policy of establishing a unified system of agencies under the Council of Ministries for managing economic sectors and groups of allied industries -- the leadership of national economic complexes and groups of allied sectors -- State Agro-Industrial Committee (Gosagroprom), the State Committee for Construction (Gosstroy), the Bureaus for Mechanical Engineering and the Fuel-and-Power Complex, the Foreign Economic Commission and the Bureau for Social Development -- has justified itself.

On the whole, the system of management of national economic complexes, of course, is just being formed and has not yet established itself firmly in the management system. An optimum way of distributing functions between the management organs of the complexes, on the one hand, and the Gosplan and ministries, on the other, is yet to be found. The policy of making standing government agencies into viable organizations responsible for the development of their particular economic sectors and solving intersectoral problems should be continued.

The role of the USSR Gosplan is to be enhanced. Stress in its work should be shifted to dealing with the fundamental tasks of social and economic development and ensuring overall balance in the national economy. [paragraph continues]

This is why the Gosplan's structure is to be transformed, to strengthen its consolidated departments, social focus, science-and-technology and regional services and dovetail its structure with the functions of the standing agencies of the USSR Council of Ministers.

The territorial aspect of management is of special significance to this country. It is through it that the all-round and equal progress of all ethnic groups inhabiting this vast multinational land is ensured. Experience has shown that the main thing is to achieve a perfect blend between sectoral and territorial management and sharply and clearly delimit their objectives and functions.

Quite a few decisions have been made over recent years to increase the role of republican and local government bodies. But this work has not yet been completed and should be continued. These bodies should be made fully responsible for a comprehensive economic and social development of a particular region and a more rational use of all its resources, in the first place manpower and natural resources. Further steps should be taken to enhance the territorial aspect of developing intersectoral production units, establish an efficient production and social infrastructure, conserve nature, and strengthen regional research-and-design organizations.

In organizing territorial management, it is expedient to use voluntary contract-based forms of contacts between factories and set up diverse associations for solving problems common for territories. This form of contacts is envisaged by the draft Law on the State Enterprise. To bolster the role of soviets of people's deputies (local government bodies) in ensuring all-round economic and social advancement, it is evidently expedient to set up production management boards at the executive committees of soviets at regional and territorial levels to draw up plans for regional development, guide economic organizations under their jurisdiction, and coordinate all economic activities on the local soviets' territories.

The main field of responsibility of territorial management bodies is the social sphere. The social sphere of a region is where the party's policy is translated into life, becoming embodied in new schools, hospitals, apartment houses, kindergartens, food supplies, the trading and service industries, study and leisure facilities, and environmental protection arrangements.

Obviously, the issue of increasing funds managed by republican and local government bodies needs to be studied carefully and its solution linked with the efficiency of the regional economy. The entire system of regional payments should be built in such a way as to blend the interests of the regional with those of the whole national economy as closely as possible.

VI

The social aspects of management require much closer attention.

How radical the economic reform will be will, in the end, depend on how we shall be able to perform the historic task of creating a powerful system of incentives to encourage all personnel to work productively and fully use production resources.

The new economic mechanism is best suited by the team contract and other progressive forms of labor organization and stimulation. [paragraph continues]

The switch to the methods of forming wage funds according to established norms, the expansion of the rights of enterprises to raise wage rates and wages from their own funds, to establish extra payments to them and pay additional bonuses drastically improve labor stimulation and make enterprises take interest in performing their duty with a smaller number of workers involved.

Concern for man, for the conditions of his work and everyday life, for social development should become a serious matter for managers at all levels but first and foremost -- for those directly at the enterprises and amalgamations.

Problems of employment under socialism acquire a new dimension. The economic mechanism is called upon to induce the enterprises (amalgamations) to trim their excessive workforce and induce the worker to seek to occupy the desired position. Of course, the release of workers in conditions of the socialist economy will not bring about unemployment with the specter of which both our own opponents of perestroyka and western "Sovietologists" are trying to scare us.

However, it would be unforgivable not to notice new problems of employment and providing jobs to working people. They made themselves felt right from the moment when new methods of economic management were first used. Bodies in charge of labor and social affairs should tackle the task of job placement. The system for managing effective employment should be adjusted. An integral state system for manpower training and re-training should be established. Funds for it can come from the payments to the budget for the use of manpower resources.

Incentives to work harder depend to no small extent on the provision of the market with diverse consumer goods and services.

The linkage between pay for one's work and its final results, no matter how close, will not produce the desired effect if a person is unable to buy what he needs with the money he earned. This has now become the most acute political problem. It appears that an integral and interrelated program of radical measures should be implemented in the existing conditions with the aim of normalizing the market.

The realization of the principles of democracy and self-management in the work collectives is of paramount importance. The understanding of this idea leads one to the realization that only the work collectives and their councils can be distributors of social property at an enterprise, while all managers are elected by them and report to them.

Perhaps one of the most complicated tasks of our transitional period is to learn how to run the affairs in conditions of democracy. It is known that at the initial stage not a few managers perceived the switch to elections as the undermining of the principle of one-man management in production. One should think that it is the opposite -- having been elected, a director or shop manager becomes a genuinely recognized leader of the work collective which entrusted him with the task of resolving issues related to day-to-day economic activity on the basis of one-man management.

Such a system does not weaken the role of party organizations in the selection and placement of personnel. The democratization of management is enhancing their role and responsibility. [paragraph continues]

Elections are not a matter to be neglected. The party organizations should be well aware of the moral and psychological atmosphere in the collective, of business, political and moral qualities of the people worthy of nomination, to show constant concern for creating a dependable reserve of personnel, to shape public opinion actively and ensure that most able people of great initiative and good principles, capabale of expressing the wish of the collective and organizing work practically be nominated everywhere to stand in elections for managerial posts.

VII

The transition of the economy to the new system of management is not something done overnight. However, it must not be dragged out. We have two, at the most three, years so that we could enter the 13th Five-Year Plan period with a new economic mechanism, although its full-scale adjustment and transformation will continue after that. The entire amount of reorganization work should be conducted in compliance with a single concept and on a comprehensive basis.

In connection with this it is proposed that the plenum should approve the document "Principal Guidelines for A Radical Reorganization of Economic Management" which contains both fundamental and concrete provisions as to how the new system of management should be created. It will become the party directive for the entire amount of future work.

The Law on the State Enterprise (Amalgamation) to be submitted to the Supreme Soviet of the USSR for endorsement should be supplemented with the creation of conditions that would guarantee its effective introduction in practice. Before the end of this year an entire "package" of concrete decisions dealing with major issues of reorganization of economic management should be adopted and new directives on central economic departments and branch ministries should be endorsed with the aim of bringing the methods of centralized planned management into line with the law on the enterprise.

In the coming few years that will make up a kind of transitional period both new and old management methods will inevitably co-exist. The switch of amalgamations and enterprises to self-financing and self-recoupment will be effected before the introduction of new prices and before the reform of the material and technical supply and of the fiscal and credit system. This will give rise to additional difficulties and contradictions which we will have to reckon with but it is impermissible to halt the transition to new methods, to lose time and wait till all conditions and components of the new system of management have been created. On the contrary, it is time to act vigorously, purposefully and without fear of miscalculations.

A radical reorganization of management brings to the fore new demands to the work of personnel, its training and re-training. In essence all managers should master anew the economic management method and to prove their maturity. We are to improve in a radical manner the operation of the management apparatus which should not take upon itself the solution of all questions and enmesh them in a web of bureaucracy. It should, on the contrary, create the necessary conditions for every worker to display his initiative and creative ability. We should rid our management apparatus of sluggishness and bulkiness and drastically reduce the number of people working in it.

The entire process of reorganization -- and this is its most important fundamental feature -- is unfolding on the intiative and under day-to-day supervision of the party.

General questions related to the reorganization of the economic mechanism are to be resolved centrally. From that standpoint it is very important to enhance the responsibility and adherence to principles in the work of party organizations of central economic bodies, ministries and departments.

Their main task is to ensure a politically-motivated approach from the standpoint of the entire state to the development and implementation of measures aimed at radically reorganizing economic management, to prevent any manifestations of departmental narrow-mindedness and attempts to defend a misconceived concept of the interests of one's own branch, not to mention one's own department.

At the same time any decision linked with the reorganization of management, when taken at the top, fails and gets stuck if it is not supported from below, if it does not become a cause of the entire party and of all work collectives. In many cases party organizations literally threw themselves headlong into the reorganization, they are changing methods of work in the spirit of new economic thinking. The matter frequently boiled down to purely outward and superficial changes which do not alter the very essence of economic management. We shall not put up with that.

It should be especially emphasized that the party must not keep itself aloof from the political guidance of the economy even after the economic mechanism we need will have been established and fully adjusted.

As to the existing situation, it demands an enhanced role of the party in that most important area of our work linked with the reorganization.

The reorganization of economic management and of the economic mechanism is really a most important cause of the entire party and the entire people. It should be treated as such.

Gorbachev Closing Speech

PM290955 Moscow PRAVDA in Russian 27 Jun 87 Second Edition pp 1-2

["Closing Speech by M.S. Gorbachev, General Secretary of the CPSU Central Committee Plenum on 26 Jun 87"]

[Text] Comrades! We are completing the work of our Central Committee plenum. You know, and this was rightly noted in the speeches, that this plenum was awaited by the whole party and the whole country. In the first place, the present stage of restructuring has posed many problems. An evaluation of these, and conclusions for political and organizational work, were to be given by this Central Committee plenum. Secondly, the plenum was faced with the task of drawing up the basic tenets and principles for the radical reform of the management of our economy. I think we have every grounds for saying that the plenum has justified the hopes of communists and all Soviet people. It is this that defines its enormous significance.

The plenum is advancing our restructuring a substantial way along the course outlined by the 27th CPSU Congress and is deepening understanding of its necessity and new methods of approaching its implementation. [paragraph continues]

The plenum adopted a program for the radical reform of management of the economy. That program creates a powerful and effective lever for accelerating the restructuring. It has absorbed everything that practical experience has given us over the past 2 years, everything that scientific thought has given us, and everything that the lessons of decades of building socialism have given us. Its foundations were the experiments that we have been carrying out over the past few years, giving approval to new approaches to the economy. So the documents adopted reflect collective ideas -- all the general conclusions we have reached on this matter at our society's current stage of development.

Particular mention should be made of the atmosphere in which the plenum was held. It reflects the further development of the new situation taking shape in the party since the April plenum and the 27th CPSU Congress. It has been characterized by a sober assessment of the course of restructuring and its successes and achievements, a profound analysis of work, criticism of shortcomings, and a free and businesslike discussion of urgent problems. All this was inherent in the work of the present plenum, and all of us members of the Central Committee can feel quite legitimate satisfaction.

The report and speeches stressed the idea that the process of restructuring, for all its achievements, has so far been proceeding slowly. In assessing the situation critically, we at the same time mobilize our possibilities, and we have many of them in all spheres of social life. The criticism and self-criticism that have rung out here are an expression of sensible dissatisfaction with the state of affairs and an indicator of our strength. The principal feature of Bolshevik criticism is its concrete, businesslike, and constructive nature. We can say with full justification that we are making headway both in industry and in complex sectors of the economy, such as agriculture.

But the most significant headway is being made in people's consciousness, in their understanding of the sociopolitical situation that has come about in our country lately. Our country today is a rapidly changing society. It is now a society with different sentiments and different hopes. Society is undergoing renewal; it has started to move; people have started to think; and more practical action is being taken and is bringing increasingly tangible results. The plenum, in a way, completes the drawing up of an integral concept of restructuring, the idea put forward by us in April 1985 and elaborated on in the documents of the 27th congress and the Central Committee January Plenum.

The theoretical aspect, for all its importance, is not the only thing that counts, however. The political import of the present plenum is that it puts the ideas of restructuring on a practical plane -- and in a decisive social sphere, the economic one, which affects the first principles of the people's life.

I should like to say again that the decisions of the plenum and the documents it adopted substantially deepen both theoretically and practically our strategic policy of acceleration and restructuring. They provide fundamental reference points for the restructuring of the economy. Practical experience will of course still throw up a large number of suggestions. Life will lend more depth to notions of restructuring. New problems and considerable difficulties await us. Nor are we insured against mistakes, although we must work and act in such a way that there are as few of them as possible. Yet I am convinced that the greatest mistake is the fear of making a mistake. If, out of fear of the difficulty of the present-day stage, some people cowardly sit it out in their offices and fail to react to the fact that life is knocking at the windows and doors increasingly loudly, that will be the biggest mistake. [paragraph continues]

We have firmly adopted the rule of not dodging problems that have come to a head, of not letting things accumulate -- too many have accumulated as it is.

The fear of making a mistake is especially pernicious. It paralyzes the will and restrains efforts to transform society. We are currently going through a sort of transitional period, particularly concerning the economy.

We face the task of switching all enterprises and associations to full cost accounting [khozraschet], of preparing and implementing a radical reform of planning the pricing system and of restructuring material and technical supply, finance, credit, and the organizational structures of management. All this will require serious and thoughtful work and at the same time no one is releasing us from the performance of the tasks of the 12th 5-Year Plan, from achieving those goals we established in the 5-year plan.

Of course, everything must be done to prevent this transitional and complex period being drawn out here and to ensure that we, at this crucial time, act resolutely, thoughtfully, and efficiently. All this is important but perhaps most important is that we are beginning a radical reform of the management of the economy, which affects the economic interests of millions of people. I repeat: This is the most important, the main thing. In all practical matters we must therefore take these interests into account. This in no way means that we can tag along with various moods and have a free-ride mentality. No, comrades, I am talking about legitimate interests, which we are obliged to take into account. Therefore, all work on the transition to the new economic management mechanism must give greater opportunity for the realization of these interests. It is taking these interests into account that should become the spring that will give our economic system, and all economic work, a new dynamism. All in all, all work at the contemporary stage must be conducted with a sense of great responsibility. A society with the party at its head, armed with experience, trained in the area of theory and organizationally cohesive, is up to this. We must emphasize most forcefully today that the role of the party at this stage of social development and in restructuring as a whole, is particularly important. An extremely responsible task -- the practical implementation of reform in all sections and at all levels is incumbent on the CPSU.

Speaking of this, I want to particularly stress the role of primary party organizations. Everything we have planned in terms of the main essentials will, after all, unfold in the labor production collective. The activity of all economic management bodies should bc directed primarily toward the creation of the prerequisites for the successful and effective functioning of the basic economic unit. It is by virtue of the fact that the primary party organization actually operates within a labor collective that its growing role is now determined. Party committees, starting with the CPSU Central Committee, should keep this in mind and ensure by all existing means available to them that under the new conditions the primary organizations operate effectively. This affects all aspects of party work -- political, organizational, and ideological.

The vast body of the country's economic cadres also faces new tasks. The party relies on their decisive contribution to the carrying out of the reforms. The country possesses an enormous potential in cadres and those who comprise it must be helped to become even more profoundly aware of the novelty and scale of the present changes in connection with the reform of the economy, to join in active work on the basis of the new principles of economic management, introducing them everywhere, at all levels of the economy. [paragraph continues]

We must act in such a way that all who are on the side of restructuring, who are for reform, who are striving to devote their strength and experience to it and to give their heart to this cause, that these people should enjoy the active support and consideration of the party bodies. These are just the people who make up the great majority. Moreover, if we do not overcome the calamity of leap-frogging [rapid changes in appointments] at the basic level of the cadres -- I refer to the managers of enterprises, construction sites, kolkhozes, and sovkhozes - then reform will make very laborious progress. Therefore let me repeat once again: All cadres that are politically on the side of restructuring and have the necessary competence must receive support. We must support them and help them in their work.

It has been correctly said at the plenum, comrades, that the 13th 5-Year Plan will be a decisive stage of radical restructuring of the management of the economy. By then, the reform of planning, of price-setting, and of the financial and credit mechanism will have been completed, and the transition to wholesale trade in the means of production will, in the main, have been carried out. As a result of all these measures, a unified system of management will be introduced. However, if that is to be achieved, the 13th 5-Year Plan itself must be put together taking into account the present time, the new ideas, and a deeper understanding of the processes that are under way in the economy. In this connection there is a need to discuss at a plenum of the Central Committee the political concept of the 13th 5-Year Plan, its strategic design. We have taken the decision to convene the next, 19th, party conference. This will be a major political event in the life of the party and of the country. For us Communists, it will be in effect a political examination on the main subject of our life: restructuring. We must conduct all our practical work, in the sphere of the economy and in other spheres, in such a way as to pass that examination with credit and bring to the conference good practical experience, real results, and from it learn lessons for the future.

Comrades, I want to emphasize once again that our economic work and the restructuring in the national economy can be successful only if they involve the millions of the masses of the working people. It can therefore be said that in our country, the line toward the radical restructuring of management is in fact contiguous with the line toward further democratization; not only in productuion, but in the whole of public life.

Economic progress and the development of socialist democratism are inseparable. Soon you will go back to your places of work in republics, krays, oblasts, towns, and rayons, to your enterprises. Tasks of enormous importance ensuing from the decisions that have been taken will rise before the members of the Central Committee and all the participants in the plenum in a practical way. The directives and ideas of the plenum must, first of all, be brought home to Communists and to the broadest strata of the people. It is very important that we link skillfully the long-term tasks defined at the plenum to the solution of current tasks, and first of all, to the solution of those that were set forward in the Politburo's report at this Central Committee plenum. I think this is the main thing now. People should feel in reality that restructuring is developing, deepening, and beginning to bear palpable fruit in all the spheres of life, and first of all, in what concerns the satisfaction of the daily and urgent needs of the working people. Let me wish you, comrades, fruitful work in carrying out the decisions that have been adopted in by Central Committee plenum.

Economic Management Resolution

PM290957 Moscow PRAVDA in Russian 27 Jun 87 Second Edition pp 1, 2

["CPSU Central Committee Plenum Resolution: On the Party's Tasks in the Fundamental Restructuring of the Economy's Management"]

[Text] 1. The CPSU Central Committee plenum, having heard and discussed the report by CPSU Central Committee General Secretary Mikhail S. Gorbachev on the party's tasks in the fundamental restructuring of economic management, notes that the consistent implementation of the course of the Central Committee April (1985) Plenum and the 27th CPSU Congress toward accelerating socioeconomic development and restructuring is having a profound effect on all spheres of Soviet society. The CPSU Central Committee January (1987) Plenum was an important landmark along the road of its democratization. The Soviet people have fully backed and are participating ever more actively in the process of large-scale transformation.

The plenum approves of the political and practical activity of the CPSU Central Committee Politburo in carrying out the course toward restructuring and assigns it to unswervingly continue the strategic policy of the party congress in the interests of the people, consolidation of socialism and deepening of socialist democracy.

2. The plenum states that at present, when the party and the country have entered the crucial period of restructuring, a period of practical deeds, the main thing is to build up in all ways the rates of transformation and shift the center of gravity to painstaking and purposeful organizational and ideological and political work in all directions of domestic and foreign policy.

The plenum attaches special importance to subordinating the entire activity of the party, of every party organization and every communist to deepening reconstructing, consolidating its positive results and promoting and developing everything making it possible to eliminate stagnant phenomena as quickly as possible and introduce in practice a reliable and effective mechanism of acceleration.

The plenum deems it necessary to pursue with ever greater vigor and consistency the course toward democratizing Soviet society, regarding this as the principal condition for direct involvement of broad masses of working people in restructuring, as a guarantee of the irreversibility of the process of renewal.

3. The CPSU Central Committee Plenum holds that a radical reform of economic management is the key task of restructuring, a major condition for speeding up social and economic development. Moved to the foreground is the establishment of a new integral system designed to exert revolutionizing influence on all aspects of work and soviet life, impart new quality to socialism and advance it to a new stage of development.

The penum approves of the main provisions, set out in the report by CPSU General Committee General Secretary Mikhail Gorbachev, of the fundamental restructuring of economic management, the objectives and principles of its implementation.

Transition to the integral system of management should ensure real acceleration of the development of economy, impart new dynamism and quality to it, meet the demands of society through the maximum use of achievements of scientific and technological progress, ensure sensible socialist use of the environment, resolute changeover from predominantly administrative to predominantly economic methods of management at all levels, and all-round activization of the human factor.

To endorse the "Main Provisions of Fundamental Reorganization of Economic Management" submitted by the CPSU Central Committee Politburo.

To approve the draft Law on State Enterprise (amalgamation) amended with account for the results of the nationwide discussion. To assign the USSR Council of Ministers to submit it for consideration to the USSR Supreme Soviet.

4. The CPSU Central Committee Plenum notes that the radical restructuring of management raises in a new way the question of applying the principle of democratic centralism to guidance over the socialist economy and makes new demands on the work of central bodies of economic management. They are called upon to ensure the implementation of the national strategy of socioeconomic and scientific and technological development, fully and reliably balance the economy, created necessary conditions for effective economic performance of enterprises and amalgamations in the conditions of economically accountable [khozraschetnaya] independence and self-management of work collective and meet social requirements on this basis.

The plenum approves on the whole the draft resolutions relating to the restructuring of the activity of central, republican and local bodies of management, the planning system, the implementation of a radical finance and credit reform, a reform of pricing and restructuring of material and technical supply and other norm-setting acts and assigns the CPSU Central Committee Politburo and the USSR Council of Ministers to endorse them with account for the discussion at the Central Committee Plenum.

5. The CPSU Central Committee Plenum emphasizes that it is now especially important and necessary to strengthen party influence in all directions of the restructuring drive, guarantee skillful guidance over public processes and elaboration of new creative aproaches in party work. In transferring the economy to a new system of management, special attention should be given to ensuring the normal functioning of the national economy in the transitional period when both new and old methods of management will be in operation.

Party organizations are called upon to be the vanguard of the transformation work. The central committees of the communist parties in the union republics, territorial, regional, city and district party committees must consistently carry out a course toward perfecting the style of work, introducing political methods of guidance with reliance on primary party organizations, work collectives and public organizations, assess in a truthful and principled way the state of affairs and teach the cadres to work in a new way. It is necessary to adopt specific measures to raise responsibility and principledness in the work of party organizations of central economic bodies, ministries and departments, enterprises and amalgamations.

With a view to invigorating the activity of party organizations on implementing decisions of the 27th party congress, the January (1987) Plenum and this Central Committee Plenum, deem it necessary to hold at the year's end meetings of communists and plenums of party committees to consider reports by elected bodies on their work on guiding restructuring.

The CPSU Central Committee Plenum emphasizes that the restructuring of economic management and the economic mechanism on the whole is now the central task determining success of the entire strategy of acceleration. Its implementation is a major concern of the entire party and people, and integral component of the process of renewal of all life in the country, direct continuation of the cause of October.

Resolution on Conference

PM291001 Moscow PRAVDA in Russian 27 Jun 87 Second Edition p 1

["CPSU Central Committee Plenum Resolution: On Convening the 19th All-Union CPSU Conference"]

The Central Committee of the CPSU Plenum resolves:

1. To convene the 19th All-Union Conference of the Communist Party of the Soviet Union on June 28, 1988 in Moscow in the Kremlin Palace of Congresses.

2. To approve the following agenda of the conference:

1. On the course of the fulfillment of the decisions of the 27th CPSU Congress, the main results of the first half of the 12th Five-Year Plan period and the tasks of party organizations in deepening the process of restructuring.

2. On measures to further democratize the life of the party and society.

3. To establish the following norm of representation at the 19th All-Union CPSU Conference: One delegate from 3,780 party members, having in mind that delegates to the conference will be elected by secret ballot at plenums of the central committees of the communist parties of the union republics, territorial and regional party committees. Delegates from the communist parties of the Ukraine, Belorussia, Uzbekistan and Kazakhstan are to be elected at regional party committee plenums.

The delegates to the 19th All-Union CPSU Conference from party organizations of units of the Soviet Army, Navy, internal and border troops are also elected at plenums of the central committees of the communist parties, territorial and regional party committees together with other delegates.

Communists who are members of party organizations of units of the Soviet Army and Navy that are abroad elect delegates to the 19th All-Union CPSU Conference at conferences of the relevant military detachments.

Elections of delegates are to be held in April-May 1988.

The CPSU Central Committee calls on party organizations to conduct preparations for the CPSU All-Union Conference on a high ideological, political and organizational level, under the sign of further rallying party ranks, strengthening the unity of the party and the people and deepening the process of revolutionary social transformation taking place in the country.

GROMYKO CHAIRS SUPREME SOVIET SESSION 27 JUNE

PM291033 Moscow PRAVDA in Russian 28 Jun 87 Second Edition p 2

[TASS report: "USSR Supreme Soviet Presidium Session"]

[Text] A USSR Supreme Soviet Presidium session was held in the Kremlin 27 June under the chairmanship of A.A. Gromyko, member of the CPSU Central Committee Politburo and chairman of the USSR Supreme Soviet Presidium.

The session participants expressed profound satisfaction with the results of the CPSU Central Committee June (1987) Plenum. It was pointed out at the session that the plenum will be an important landmark on the path of revolutionary restructuring and the acceleration of socioeconomic development. The report by M.S. Gorbachev, general secretary of the CPSU Central Committee, and the plenum decisions lay the foundations for a fundamentally new economic mechanism and provide detailed substantiation for the new ideology of socialist management under modern conditions. It was also emphasized that the plenum decisions are of exceptional significance for the soviets of people's deputies, particularly in the cause of the consistent democratization of all aspects of state life, the comprehensive development of territories under their jurisdiction, and the realization of the CPSU's social policy.

Questions connected with holding the Seventh USSR Supreme Soviet Session were examined at the Presidium session. Proposals for the agenda and work procedure of the session of the country's highest organ of state power were discussed and approved.

The results of the preliminary examination in the standing commissions of the USSR Supreme Soviet of the Union and Soviet of Nationalities of the materials on the question of restructuring national economic development, the draft USSR Law on State Enterprise (Association), and the draft USSR Law on the Procedure for Court Appeals Against the Illegal Actions of Officials Infringing Citizens' Rights were summarized.

A decision was also adopted to submit the draft USSR Law on the Nationwide Discussion of Important Questions of State on the Nationwide Discussion of Important Questions of State Life for examination by the USSR Supreme Soviet.

Presidium decrees adopted during the period between the Sixth and Seventh USSR Supreme Soviet Sessions were submitted for approval by the USSR Supreme Soviet.

Some other questions of state life were examined.

Comrades N.N. Slyunkov, V.V. Shcherbitskiy, P.N. Demichev, B.N. Yeltsin, and Yu. F. Solovyev and other session participants took part in the discussion of questions of the agenda.

Session Participants Listed

LD290758 Moscow Domestic Service in Russian 0700 GMT 29 Jun 87

[Text] The CPSU Central Committee June Plenum provided a set of powerful stimuli for progress to the labor and social activities of working people. The decisions it adopted, the ideas and principles on the basis of which the restructuring of the management of our economy is planned, are the focus of attention of the elected representatives of the people who have gathered today in the Great Kremlin Palace for the 7th session of the USSR Supreme Soviet of the 11th convocation. It opended at 1000 with a joint session of the Soviet of the Union and Soviet of Nationalities.

Deputies and guests greeted with applause Comrades Gorbachev, Vorotnikov, Gromyko, Zaykov, Ligachev, Nikonov, Ryzhkov, Slyunkov, Solomentsev, Chebrikov, Shevardnadze, Shcherbitskiy, Yakovlev, Demichev, Dolgikh, Yeltsin, Solovyev, Talyzin, Yazov, Biryukova, Dobrynin, Lukyanov, Medvedev, Razumovskiy and Kapitonov.

The session's agenda was unanimously passed, as was the order of business. Questions relating to changes in the composition of the USSR Supreme Soviet Presidium; the restructuring of the management of the national economy at the present stage of the country's economic development; a draft USSR law on the nationwide discussion of important questions of state life; a draft USSR law on the procedure of lodging complaints with the courts concerning illegal actions by officials infringing the rights of citizens; and the passing of decrees of the USSR Supreme Soviet Presidium were presented for discussion.

Deputy Ryzhkov, chairman of the USSR Council of Ministers, was given the floor for a report on the restructuring of the management of the national economy at the present stage of the country's economic development.

Presidium Elects New Members

LD290720 Moscow TASS International Service in Russian 0652 GMT 29 Jun 87

[Text] Moscow, 29 June (TASS) -- Today at the session of the USSR Supreme Soviet (Parliament) changes have been introduced in the composition of the Supreme Soviet Presidium.

At the suggestion of Deputy Yegor Ligachev, member of the Politburo and secretary of the CPSU Central Committee: Rafik Nishanov, new chairman of the Uzbek SSR Supreme Soviet Presidium, has been elected deputy chairman of the USSR Supreme Soviet Presidium. The composition of the deputy chairmen of the USSR Supreme Soviet is formed from the number of the chairmen of the presidia of the republican supreme soviets. He replaced Akil Salimov at this post.

Nikolay Slyunkov, recently elected secretary of the CPSU Central Committee, lodged a request to release him from the duties of member of the USSR Supreme Soviet Presidium. Deputies elected to his place Yefrem Sokolov, first secretary of the Belorussian Communist Party Central Committee.

Gennadiy Kolbin, first secretary of the Kazakh Communist Party Central Committee, has also been elected a member of the Presidium.

The session released from the duties of presidium member Dinmukhamed Kunayev, who formerly headed the Kazakh party organization, and Midkhat Shakirov, former first secretary of the Bashkir Obkom.

In accordance with the Soviet Constitution, the Supreme Soviet Presidium is a "joint president" and exercises supreme state authority in the periods between sessions of the parliament.

PRAVDA CITES CPSU AUDITING COMMISSION MEETING

PM291039 Moscow PRAVDA in Russian 28 Jun 87 Second Edition p 2

[TASS report: "CPSU Central Auditing Commission Session"]

[Text] A CPSU Central Auditing Commission session was held 27 June. The commission's work during the first half of 1987 was discussed.

I.V. Kapitonov, chairman of the CPSU Central Auditing Commission, delivered the report. The party Central Committee June Plenum, which acutely raised the question of the radical restructuring of economic management, was a very important event in the country's life, he said. Soviet people have perceived the plenum decisions and the profound, detailed report of M.S. Gorbachev, general secretary of the CPSU Central Committee, as a specific action program for accelerating the country's socioeconomic development, the resolute transition to economic methods of leadership at all levels, and the all possible activation of the human factor.

Restructuring of economic management of the economic mechanism is a very important all-party matter. The enhancement of demands on the work of party committees and organizations under modern conditions also applies in full to auditing commissions. The report analyzed the activity of the Central Auditing Commission. It was pointed out that it has devoted chief attention to activating the work of the auditing commissions of local party organizations and restructuring their activity in line with modern demands.

A number of questions have been examined at sessions of the Central Auditing Commission Bureau. They included the implementation of the party budget for 1986, the state of auditing work locally, the giving of methodical assistance to auditing commission, and other questions.

It was pointed out that the CPSU budget was implemented successfully last year. At the same time, there were shortcomings in individual areas. A certain proportion of Communists paid their party subscriptions not on their full wage -- which attests to omissions in organizational and control work. Shortcomings in the financial and economic activities of party committees and their establishments were also pointed out.

An analysis and generalization of the results of checks conducted by auditing commissions locally have shown that a number of commissions have begun implementing more fully the duties entrusted to them and exposing more boldly omissions in work.

It was also pointed out that certain commissions have not ensured a substantial improvement in their work. They poorly expose existing shortcomings and do not strive to eliminate them, confining themselves just to noting violations in deeds of audit.

The keynote speaker emphasized that the Central Auditing Commission has continued to give methodical assistance to auditing commissions of local party organizations. Commission members have traveled to the provinces for that purpose. The Central Auditing Commission Bureau familiarized itself with the activities of the auditing commissions of the Tatar and Tula Oblast party organizations. It was pointed out that their work has become more substantive and purposeful, the range of questions covered by checks has expanded, and their effectiveness has increased. At the same time, note was taken of the fact that auditing commissions are still not making full use of their potential. A desire was expressed to extend openness in work, particularly through the mass media. The need for constant study by members of auditing commissions was also pointed out.

The Central Auditing Commission and the CPSU Central Committee Propaganda Department and Administration of Affairs checked the work of the CPSU Central Committee Political Literature Publishing House. The results of the check were examined by the CPSU Central Committee Sectariat. It was pointed out that, on the whole, the Political Literature Publishing House fulfills the tasks entrusted to it. At the same time, restructuring of its work is proceeding only slowly. Too few books are published, and slowly, on topical questions which would actively help to resolve specific tasks of acceleration and restructuring. The leadership of the Political Literature Publishing House is instructed to take decisive measures to fundamentally improve its work.

The keynote speaker emphasized that the Central Auditing Commission is conducting certain work with working people's letters. The chief task here is to assist writers in the objective examination of the questions raised by them by the appropriate organizations. The most important letters are checked out, while some are verified by commission members locally.

The speakers at the session -- N.T. Trubilin, deputy chairman of the RSFSR Council of Ministers; L.Ye. Smirnova, equipment operator at Kazan's "Organicheskiy Sintez" Production Association; G.M. Voskanyan, chairman of the Armenian SSR Supreme Soviet Presidium; and M.R. Sagdiyev, first secretary of Kokchetav Kazakh Obkom -- said that auditing work has recently become more diverse, and its forms and methods have been broadened. Certain auditing commissions are exercising more fully the control functions entrusted to them. At the same time, it was pointed out that commissions must delve more deeply and comprehensively into the essence of the matter, make specific proposals to party committees on eliminating the shortcomings revealed, and strive for their realization. It was emphasized that everything must be done to ensure that the activities of auditing commissions assist restructuring and accord with the demands advanced by the 27th party congress and the CPSU Central Committee June Plenum.

CPSU RESOLUTION ON C. ASIAN AGRICULTURAL FAILINGS

PM221139 Moscow PRAVDA in Russian 20 Jun 87 Second Edition pp 1-2

[Unattributed report: "At the CPSU Central Committee"]

[Text] The CPSU Central Committee has examined the question "On the Unsatisfactory Utilization of the Natural-Economic Potential of the Agro-Industrial Complex in the Uzbek SSR, the Tajik SSR, and the Turkmen SSR."

The resolution points out tht the agro-industrial complex of the Uzbek SSR, the Tajik SSR, and the Turkmen SSR occupies a particularly important place in the all-union division of labor. [paragraph continues]

The kolkhozes and sovkhozes of those republics are the chief producers of cotton and supply other agricultural products which are in increased demand. A strong material and technical base of the agrarian sector has been created in that region. Over the past 10 years state and kolkhoz funds to the tune of R43 billion have been channeled toward these ends -- which is twice as much as all investments during the previous analogous period. Provision of production capital has increased 110 percent in Uzbekistan and 90 percent in Tajikistan and Turkmenia. The area of irrigated land in Central Asia has reached 6.9 million hectares.

However, unsatisfactory use is being made of the strong production and economic potential created in that region, the water resources, and also the favorable natural conditions. In recent years there has been a sharp drop in the rates of growth of gross agricultural output in those republics, purchase plans for raw cotton are not being fulfilled, and the quality of the fiber has deteriorated. Vegetable growing, viticulture, and horticulture are organized at a low, backward level, and deliveries of many types of these products into the all-union fund are not being fulfilled.

Agricultural production is being seriously affected by the entrenched scornful attitude among many leaders of farms, rayons, oblasts, and republics toward the assimilation of scientifically substantiated arable farming systems and the intensification of livestock raising. The protracted process of assimilating crop rotations has resulted in soil exhaustion and massive soil contamination with pests and diseases. The low standard of economic management is adversely affecting the population's provision with food of its own production, and food deliveries from state resources are not diminishing. The state of affairs in the agro-industrial complex has been affected extremely badly by negative phenomena associated with figure padding, deception, and deficit of the state -- which has caused great moral and economic harm.

Major errors in the development of irrigated farming have occurred in the activities of local and union agricultural, water management, and planning organs. As a consequence of the low quality of land improvement work, lack of comprehensiveness in construction, and mismanagement, a considerable proportion of irrigated land needs capital repairs and modernization. The operating service for irrigation systems is badly organized and is run in an uncoordinated way and on a limited scale. Organizations of the USSR Ministry of Land Reclamation and Water Resources fail to carry out repair and operating work on schedule and to a high quality. The efforts of waste management organizations, to the detriment of interests, continue to be directed chiefly toward opening up new lands.

An incorrect attitude toward the organization of feed production has still not been overcome in the Central Asian republics -- which is the chief cause of the chronic backwardness of livestock raising. Effective measures are not being taken to create the feed storage and processing base. Livestock productivity there is among the lowest, and feed consumption per unit of output is almost twice the actual expenditure in the country as a whole.

It is emphasized that party, soviet, and agricultural organs have not taken exhaustive measures for the economic training of agricultural leaders and specialists under the new conditions. The vocational training of machine operators and other cadres of the mass trades for irrigated farming and livestock raising is lagging seriously behind. Measures are not being taken to strengthen economic management methods, sharply increase labor productivity, and improve labor organization. The assimilation of economic accountability [khozraschet] and the collective, family, and lease contract has not spread beyond individual farms. Formalism prevails in this work, with the result that the cost-cutting mechanism is virtually inoperative in the rural economy. [paragraph continues]

Labor productivity has not increased in the Uzbek SSR in 10 years, and it has even fallen in the Tajik SSR and the Turkmen SSR while labor remuneration has increased 30-40 percent.

The CPSU Central Committee believes that the standard of the organizational and political work of the Uzbek Communist Party Central Committee, the Tajik Communist Party Central Committee, the Turkmen Communist Party Central Committee, and those republics' Councils of Ministers does not ensure the fulfillment of the requirements of the 27th party congress and the CPSU Central Committee January (1987) Plenum on the acceleration of socioeconomic development and the party's state cadre policy. Bureaucratic administration, petty tutelage, and regimentation remain characteristic of the party organization's activity -- which adversely affects the education, initiative, and independence of farm leaders, specialists, and middle-link workers. Many of the republics' leading cadres are susceptible to parasitism, and there is a developed desire to obtain the most material and monetary means possible from the state, without displaying proper concern here for their efficient utilization.

Many party committees and soviet and agro-industrial organs underestimate the entire acuteness of the social problem. While the rural population is poorly provided with housing and with health care, trade, and cultural projects, the funds allocated for these purposes are not being assimilated. Consumer cooperatives display inertia and lack of acumen in resolving social tasks in the countryside. In the republics as a whole the produce processing and storage base is being developed inadmissibly slowly.

The Uzbek Communist Party Central Committee and the Uzbek SSR Council of Ministers (Comrades Usmankhodzhayev and Kadyrov), the Tajik Communist Party Central Committee and the Tajik SSR Council of Ministers (Comrade Makhkamov and Khayeyev), the Turkmen Communist Party Central Committee and the Turkmen SSR Council of Ministers (Comrades Niyazov and Khodzhamuradov) are instructed to elaborate and implement a specific action program to eliminate the serious shortcomings and omissions noted in the development of agricultural production, to switch the sector to an intensive path of development and of complete self-sufficiency in terms of livestock products in the next few years, and to make highly efficient use of the natural-economic potential of the entire agro-industrial complex. The satisfaction of the national economy's requirements for high-quality cotton fiber and the unconditional fulfillment of the Food Program are to be ensured.

This is the chief task in the coming period, and its speediest realization must be the core of organizational work at all levels of the republics' agro-industrial production.

It is deemed that the collegium of the USSR Ministry of Land Reclamation and Water Resources and Minister T. Vasilyev personally are displaying tardiness in restructuring the work of water management organizations and in concentrating their efforts primarily on ensuring the efficient utilization of the existing stock of irrigated land. The ministry is instructed to take urgent and exhaustive measures to instill proper order in this matter.

It is pointed out that the USSR State Agro-Industrial Committee (Comrades Iyevlev and Romanenko) and the USSR Gosplan (Comrade Paskar) failed to evaluate in good time the situation that has come about in the development of agriculture in the Central Asian republics, failed to elaborate a clear-cut line in investment policy and in improving the structure of agro-industrial production, and failed to concentrate the allocated capital investments and material and technical resources on modernizing irrigated land and improving its efficiency. Questions of creating highly productive equipment for the comprehensive mechanization of cotton growing are being resolved only slowly, and proper measures are not being taken to accelerate the creation of the produce processing and storage base.

The USSR Gosplan, the USSR State Agro-Industrial Committee, and the USSR Ministry of Land Reclamation and Water Resources, with the participation of the Uzbek SSR Council of Ministers, the Kirghiz SSR Council of Ministers, the Tajik SSR Council of Ministers, and the Turkmen SSR Council of Ministers, are instructed to elaborate and implement a program for the fundamental improvement of the efficiency of the use of irrigated areas, with a view to concentrating at least 70 percent of the capital investments allocated to reclamation for the 5-year plan on measures for the modernization and qualitative improvement of land and the economical utilization of water resources.

Jointly with the USSR Gossnab, the USSR Ministry of Finance, the USSR State Committee for Labor and and Social Problems, the USSR Ministry of Construction, Road, and Municipal Machine Building, other ministries and departments, and the union republic councils of ministers, measures are to be elaborated to fundamentally strengthen the operating service of land improvement systems in the country as a whole, to allocate material and technical resources for repair and operational work in accordance with the established norms, and to produce machines and mechanisms, including the fulfillment of drainage and layout [planirovochnyy] work.

COMMUNISTS MUST SET EXAMPLE OF DISCIPLINE

PM251731 Moscow PRAVDA in Russian 20 Jun 27 Second Edition p 1

[Editorial: "Communist's Discipline"]

[Text] "Party members must outstrip everyone in terms of labor discipline and energy..."

These words of Lenin still sound to us like a lasting behest from those distant fiery years imbued with the fierce intensity of struggle and the creation of a new world. Their lofty essence is reflected in the severe paragraphs of the party statute. They have entered the consciousness of generations of communists. Today, in the hot days of restructuring, it is more important than ever to embody that behest in practice in the concrete affairs and actions of every party member.

The country is on the move. An intensive quest is taking place in the economic, social, and managerial spheres and in the spiritual life of society. As the recent conference at the CPSU Central Committee showed once again, it is not an easy quest: It is frequently necessary to travel untrod paths and overcome the braking effect of inertia. Under these conditions ever greater significance is attaching to qualities such as composure and professionalism, efficiency and obligation in work, and every party member's responsibility for his assigned task.

The CPSU Central Committee January (1987) Plenum considered it of fundamental importance to create everywhere an atmosphere of mutual exactingness, firm discipline, and organization and to resolutely suppress all manifestations of laxity, complacency, and indulgence toward incompetent, irresponsible workers.

The overwhelming majority of Soviet people activity support this line. Here, for example, is what A. Shkryl, a war and labor veteran, writes to the editors from Timashevsk in Krasnodar Kray: "It seems to me that now that it depends literally on each of us how successfully we will implement the tremendous cause begun by the party, and any misplaced kindness or flirting with sluggards and slipshod workers is simply pernicious. [paragraph continues]

It is not a question of being tough or of naked, undemocratic administration according to the principle 'I will get what I want,' but of strict exactingness and implacability on the part of communists and all honest people toward slovenliness, deception, and slipshod workmanship in production, transportation, the health service, trade, and in all spheres of our life. Discipline is needed with all economic methods, otherwise we will not make progress. Those who drink otherwise and who tolerate loafers, liars, and hypocrites do not, in fact, want restructuring and have only a dim understanding of what Soviet power, acceleration, and socialism mean.

Discipline is needed everywhere. Its role increases many times over under conditions of modern production and the wide use of the latest technologies. We know that even the initial steps in instilling elementary order and overcoming disorderliness have given us an appreciable increase in economic growth rates in recent years. But it would be a grave mistake to indulge in complacency on this basis. Shaky discipline and impaired responsibility are too deeply rooted and still make themselves painfully felt. Party committee plenums and aktiv meetings held since the CPSU Central Committee January Plenum have brought to the light many facts attesting how much we still have to do to assert a really responsible attitude to work and genuinely conscious discipline in every collective, in every managerial link, and at every workplace.

Organization, efficiency, and assiduity must become the law for everyone. What is particularly important here is the communist's initiative and personal example, every growth of living experience, and every initiative -- provided, of course, it is not the result of pretentious bureaucratic armchair innovation but proceeds from life and has been fostered in the midst of the labor collective.

Among the initiatives of this kind the movement "The Collective's Guarantee of Labor and Social Discipline" is of special interest. It is a question of labor collectives' moral and material responsibility for discipline and order. The movement, which came into being on the intitiative of communists in work teams at the Severskiy F.A. Merkulov Pipe Plant (Sverdlovsk Oblast), has stood the harsh test of time. Thus, the pipe plant workers have reduced losses of work time sevenfold during the period that has elapsed, instances of absenteeism have fallen eightfold, and cadre turnover has been reduced by almost one-third. It is not surprising that this initiative has already been taken up at 1,500 enterprises in Sverdlovsk Oblast and has been supported by many collectives in Tataria, Krasnoyarsk Kray, and Kuybyshev, Chelyabinsk, and a number of other oblasts. In Kaluga Oblast, for example, there was not a single violation of discipline or public order during the past year in 70 per ent of the teams which have joined in this movement.

In short, there is a good example and visible results. Who, if not communists, party and trade union organizations, and economic planners, should tackle most concretely the development of initiative in all links of production, in every collective! In a number of places, however, there is obvious underestimation of the significance of this movement. Some people are biding their time, waiting for "appropriate instructions." Others, on the contrary, are not averse to ensuring "100-percent dissemination" without prior arrangement, act hastily, and engage in undemocratic administration, and practice shows that this leads to nothing good.

The struggle to strengthen discipline is an inalienable part of our cadres' moral and ethical education and of the fostering of qualities such as honesty and incorruptibility, modesty and decency, and inseparability of word and deed in people. The following fact was cited at a recent Tajik Communist Party Central Committee plenum: On last year's results approximately 4,000 hectares of land under cotton, which had been kept off the record, was discovered in just five rayons of the republic. [paragraph continues]

This was after decisions had been adopted and assemblies and meetings with the aktiv had been held in all cotton-growing rayons to openly discuss the inadmissibility of deceiving the state. Yet a party organization functions in each of those collectives, and many fine words are spoken about principledness and party and official discipline. What, in this case, are these words worth?

It must not be forgotten that what is really effective and fruitful is not blind, thoughtless assiduity -- the favorite child of bureaucratism -- nor discipline resulting from an official's unreasoning zeal, from fear, or from careerist motives, but conscious discipline which does not avoid bold questing and reasonable risk-taking in the interests of the cause. Such discipline is a reliable help in the fulfillment of the plans and pledges of the second year of the 5-year plan, in the struggle for thrift and economy in any matter. The example set by communists is important not in words but in specific deeds. The chief helpers here are openness, the democratization of public opinion, and businesslike criticism.

The party Central Committee plenum, on whose agenda are cardinal questions associated with restructuring management of the country's economy, will soon be held. Great, extremely responsible work on realizing the 27th CPSU Congress line of accelerating our advance lies ahead. The initiative and the living creativity of the masses, backed up by exemplary organization, conscientiousness, firm discipline, and order, are the reliable guarantee of success in this work.

PRAVDA EDITOR DENIES PARTY VETTING OF ITEMS

PM151039 Moscow MOSCOW NEWS in English No 23, 7 Jun 87 p 5

[Unattributed report: "Diplomatic Life: Role and Responsibility"]

[text] Are the materials published in PRAVDA submitted to the approval of the CPSU Central Committee? How does the paper's staff deal with readers' letters? These and other questions were put to Academician Viktor Afanasyev, editor-in-chief of PRAVDA, at a meeting between him and heads of diplomatic missions accredited in Moscow.

"Perhaps never since the days of Lenin has the Soviet press played such a significant role in the life of our society," said Viktor Afanasyev. "Today tremendous importance is attached to our paper and, hence, the great responsibility we face. I'll give you one example: Mikhail Gorbachev's first telephone call after the 27th congress was to PRAVDA. We talked for more than an hour."

Replying to one of the questions, Viktor Afanasyev said that practically no materials, with the exception of official items, are sent to the Central Committee for approval. The editor-in-chief recalled a recent case when he (as in old days, he admitted himself) called up one of the Central Committee secretaries and asked him to look through an article. The latter replied: "You print and I'll read it tomorrow."

The ambassador of Switzerland, Karl Fritschi, asked why the photographs and cartoons about the West, published in Soviet papers, are of negative nature?

"I don't agree with you regarding the photos," Viktor Afanasyev said, "but you are right in your assessment of cartoons. Our papers' artists were brought up in the old school, which taught a sharply negative attitude towards the West. We have very few new cartoonists as yet and sometimes we even resort to reprints from foreign publications."

PRAVDA was founded by Lenin 75 years ago. Vladimir Ilich published more tha 1,000 of his works in the paper. Today, the newspaper has a print of 11,300,000 copies, circulated in 156 countries and translated into 15 languages. At PRAVDA we receive about 600,000 letters a year.

WRITER ON RECENT NOVELLA, KHRUSHCHEV REPORTS

PM251443 [Editorial Report] Moscow LITERATURNAYA GAZETA in Russian 17 June 1987 carries on page 4 under the headline "Sergey Antonov: A Novella's Background" a 4,000-word interview with writer Sergey Antonov by its correspondent Bronislav Taroshchin, following publication of Antonov's novella "Vaska" in the March and April issues of the journal YUNOST.

According to LITERATURNAYA GAZETA's brief introduction to the interview, "There have been breaks of 3-4 years in the writer's work in the past. But the latest one lasted almost 15 years. Finally, the journal YUNOST published his novella 'Vaska' in its March and April issues this year. Both readers and critics still have to interpret this event. There will probably be articles about a 'new' and even a 'strange' Antonov."

"Vaska" apparently covers the period of the Moscow metro's construction, and its heroine is "the daughter of a kulak who has escaped resettlement and, through an oversight by the cadres department, made her way to a construction project in the capital."

Antonov describes the historical background of the metro's construction, saying that "Stalin lost all patience and, without going deep into engineering estimates, ordered that the first line be operational on 7 November 1934. There could, of course, be no objections."

Asked about the source of his background knowledge, Antonov says that he was "greatly helped" in his work by "the volumes of stenographic accounts of the CPSU Congresses and conference, filled with voices from the past, which started being published in the late fifties. Unfortunately, by 1968 this most valuable publication halted half-way. I hope that it will soon be resumed and continued and that our contemporaries will gain access to these historic documents, including N.S. Khrushchev's speech at the 20th congress, which was published in many countries in the world but not ours."

Following a lengthy discussion about the novella and the fate of its heroes, the role of the writers union and its leadership in the past, and the importance of humor and satire in Russian and Soviet literature, Antonov is asked about his attitudes to his own popularity in the fifties and sixties and to himself at the age of 40. He replies:

"Highly critical. For quite a long time I perceived life in a naive and superficial fashion. For a long time I failed to sense the tragic and latent trends of the times, as if someone had hypnotized me. Innocent peoples were being subjected to repression, while I -- as if nothing was happening -- was writing the 'Poddubenskiye Ditties." Only the 20th party congress opened my eyes."

In reply to Taroshchin's last question, Antonov says that 'Vaska' was written 13 years ago but "did not reach the readers for reasons beyond the author's or editorial office's control," and concludes:

"The fact that the novella was not printed the first time did not discourage me. I wrapped up the manuscript and put it on the shelf, next to my 'legal' books. I was convinced that I would live to see the time when 'Vaska' would be read also by people outside my close circle. And I did."

RADYANSKA UKRAINA EXAMINES AIDS PROBLEM

AU161343 [Editorial Report] Kiev RADYANSKA UKRAINA in Ukrainian on 10 June carries on page 3 a 1,500-word article by APN correspondent Sadakov, entitled: "AIDS: Will the Secret of its Origin Be Revealed?" The article deals with the spreading of the disease, its symptoms, effects, the controversies over its origins, and the methods of treatments, and discusses at some length the opinion, "first voiced in India by the newspaper PATRIOT," that "AIDS was created by the Pentagon."

The article ends with the conclusion: "Sooner or later, scientists, specialists, and simply honest people who are in the majority everywhere and also, in particular, in the United States, will answer the question concerning the nature of AIDS. The answer to this question will not help the tens of thousands who have died of AIDS. But it must be answered as soon as possible in the interest, of the scientists who are now looking for means against the disease, and mainly for the sake of saving the patients whose number is growing daily all over the world."

LIBERMAN INTERVIEWED ON ECONOMIC PLANNING, TAXES

PM231441 Moscow LITERATURNAYA GAZETA in Russian 17 Jun 87 p 11

[Interview with Doctor of Economics Sciences Professor Ya. Liberman by Candidate of Economic Sciences L. Lopatnikov, LITERATURNAYA GAZETA observer, as part of a full-page feature entitled "Restructuring: Step by Step" and under the rubric "The Economy at a Crossroads": "From Requisitioning to Tax" -- no place or date given]

[Text] Our mailbag contains quite a few letters about the economy. Their numbers have been growing and their nature changing in the course of the restructuring. People are making their point, arguing, and offering their ideas with increasing vigor.

What is attracting our readers' attention to the complex of economic problems? Advocates of the market are perturbed by the question of its possible costs. How can we deepen goods-money relations, they ask, while simultaneously blocking the way to unemployment, inflation, uncontrolled price rises, and crises? Their opponents, relying on hardline all-embracing directive planning, are familiar with the distortions and stagnation phenomena but attribute them not to excessive regulation from the top but, on the contrary, to insufficient regulation. They hear the objection. It was the desire to plan everything, to distribute and regulate from the center, that led to the fettering of initiative. The entire misfortune, some readers assume, stems from the fact that changes have hitherto failed to affect the foundations of the economy. Hopes were pinned either on chemicalization, or on automation, or on something else. There was a reliance on cost indicators and on direct planning of the range of output, people got carried away by territorial management, then switched back to sector management, and are now once more dissatisfied with it. What else can be suggested? -- these letter writers ask in perplexity. The usually perceive just a single stumbling block: bureacratization, the depersonalization of state ownership, the helplessness of science, public indifference, or lack of economic interest.

Continuing on a topic that interests many people on the eve of the next CPSU Central Committee plenum, we offer you a "dialogue with the Reader": Our observer, Candidate of Economic Sciences L. Lopatnikov, converses with the writer of one of the letters sent to LITERATURNAYA GAZETA -- Doctor of Economic Sciences Professor Ya. Liberman.

Lopatnikov: Yakov Grigoryevich, when I saw your letter in the LITERATURNAYA GAZETA mailbag, I thought to myself: Are you by any chance a brother of Yevsey Grigoryevich Liberman, who was even described by some peole as "the father of the economic reform" in the mid-sixties?

Liberman: No, we just share the same name. He was a representative of the older generation of economists, while I was just a young scientist in those years. Even so, at that time I did manage to take part in the discussion and to uphold a viewpoint which many people refused to accept. But life has proved that the advocates of economic methods of managing the national economy were much closer to the truth than those who relied on centralization in the administrative-directive mold.

Lopatnikov: In your letter you place taxes in the forefront of mutual relations between the enterprise and the state. I would imagine that this is not accidental. The thought of using Lenin's idea of tax in kind as applied to contemporary conditions was expressed at the 27th party congress.

Liberman: A thick economic fog has engulfed taxes in the last few years. People were at times even ashamed of taxes. On the subject of turnover tax, the Great Soviet Encyclopedia says that, in our country's economic context, it is not a tax and that it displays only the external signs of a tax payment. Now, in the context of talk about complete economic accountability [khozraschet] and self-financing, people have again remembered taxes and are repeating the formula that was current under the New Economic Policy: from food requisitioning [razverstka] to tax in kind.

Lopatnikov: Is it possible to change the formula? To say, for example: From industrial requisitioning to industrial tax, since we are talking about industry?

Liberman: I have no objections in principle, but let us first clarify the term. Strictly speaking, both food requisitioning and forced loans were also forms of taxes. The issue concerns something else: There are "extraordinary" taxes and there are also "hard " taxes (these are not my terms). Income tax for example, collected at stable rates, belongs to the latter, while food requisitioning belongs to the former. The stereotype of requisitioning and central allocation is perhaps one of the most tenacious in our economy. Even though it is the worst and most harmful method of centralization! In actual fact, here we are not dealing even with centralization but with a semblance of it. Now, when central allocation holds sway everywhere, it would be a joke to imagine that "a high level of centralization" supposedly exists in the country. Formally -- yes, but in reality?

Look at the central allocation of physical taregets. If it were absent, how could we talk about planned management of the economy? In the past, the central allocation of capital investments served as a regulator of pace and proportions, but as soon as the volume and time schedules of construction work start being constantly wrecked, this means that there is no regulator. And how about the central allocation of budget finances? It artificially boosts the exaggerated demand for investments. Let us also recall the central allocation of material resources, which makes it impossible to interest anyone in saving them and results in shortages. Or the central allocation of wholesale prices, which we describe as "state" prices. Describe them as you will, but in fact they represent not social interests but the limited corporate interests of departments and enterprises, the producers of output, while consumers are not involved in the formation of prices. Management by the methods of direct central allocation means complete reliance on the stick of extraeconomic compulsion: Some people are intimidated, while the majority adapt, bend, evade, and withdraw into "the shadows." Hard taxes are a much more sophisticated method of management which, of course, demands much greater competence.

Lopatnikov: Criticizing the draft Law on Enterprises, A.S. Peshkov from Tolyatti writes to LITERATURNAYA GAZETA that the law's economic articles are diluted through vagueness. It says, for example: "A proportion of the profit (income) must be used by the enterprise to meet its obligations to the budget, the banks, and its superior organs." What is the meaning of "a proportion of the profit?" -- the perplexed reader asks. What exact proportion will be appropriated by the state? Indeed, unless the taxation procedures are accurately defined, enterprises will be again left at the mercy of numerous "superiors." They must have a legally guaranteed opportunity to utilize their economically accountable [khozraschetnyy] revenue without running contrary to the needs of the whole people.

Liberman: You are absolutely correct. But how difficult it is to implant these ideas in the minds of dogmatists! Way back at the time of discussion during the sixties I proposed that accounts between enterprises and the budget be firmly based on stable normatives, while the collective's economically accountable [khozraschetnyy] income is formed from the "free residue of profits."

Lopatnikov: I am familiar with that article of yours, published by PLANOVOYE KHOZYAYSTVO in, I believe, 1966?

Liberman: In February 1967. That was the article which suggested that the principle of hard taxes be tried out. But the resistance it encountered! Even before publication, while it was still in the editorial office, the article was already being torn apart by a group of economists. It was also attacked afterward. An influential scientist wrote quite wittily about the "ludicrous Libermania" and, having fairly accurately outlined the substance of my position, concluded: "...We can only be pleased that our economic reform did not follow in the footsteps of such economists" [VOPROSY EKONOMIKI, No. 9 1968). Alas, there was nothing to be pleased about: This is now obvious. The central financial allocation which was retained during the following decades produced bitter fruit.

Lopatnikov: I believe that this question ought not to be examined in isolation from the problems concerning the ownership of the means of production and the enterprise's position in society's socioeconomic structure. If I understood your letter correctly, you distinguish between the terms "owner of the enterprise" and "owner of the revenue."

Liberman: Yes, but in the case of the latter I talk about the entitlement to income that has been genuinely earned and not about the notorious "bogus wage."

Lopatnikov: Of course, even enterprises could have income that is not completely labor-related, for example, any income resulting from inflated prices. But there is something else I would like to stress now. It is altogether possible to speak of "economically accountable [khozraschetnyy] income" given the prevailing uniformity? For example, we have groundlessly forgetten about rents, or rather consigned them to the distant economic outback. Rents do exist in microscopic doses: Rental of premises, rental of instruments to scientific organizations, rental (hire) of furniture to the population.... But why not present the issue differently: The collective of a state enterprise producing, for example, consumer goods, rents from the state -- as owner of the wealth of the whole people -- the means of production and shop premises, paying in such a case not tax but rental fees? Under the conditions of democratization and expansion of collectives' rights, this could be the collective's voluntary decision, not imposed by anyone from above. You can pay tax or rent, whatever you like. And this right to choose ought to be granted by the law to certain types of enterprises, primarily in the trade and services sphere. One could imagine the most diverse types of mutual relations depending on the nature of production. State enterprises of the current type, rented state enterprises, cooperatives owning their own means of production, cooperatives renting means of production from the state, and, finally, individual production units using their own and rented means.... Much has been writen and said about the "exploitative nature" of rent. But that happens in exploitative societies! Both profits and taxes on enterprises have been held to be "capitalist" terms. Is it not time to open our eyes? Exploitation is the only thing that has been proved to be contrary to socialism! And under our system rent will in no way acquire any sinister aspects.

Liberman: Essentially, you are speaking of a new approach to centralization. While suitable under extreme conditions, the present form of centralization is becoming outdated. Not only were its economic forms not found, they were not even sought. People were only concerned about ritualistic piety. Let me say this unequivocally: I advocate not the restriction of bureaucratic centralism but its total abolition. And at the same time I am firmly on the side of centralization based on economic methods. The issue here does not, of course, boil down to the problem of property, ownership, disposal, and so on. I want to emphasize that centralization in this sense does not contradict economically accountable [khozraschetnyye] relations in the economy but actually presupposes them.

Lopatnikov: By no means an easy question. Some publications are now making attempts to prove the contrary. Some authors, for example, cite V.V. Novozhilov and place the stress on his "commodity" leanings. Indeed, our eminent economist was a consistent advocate of an economic management system based on the use of the law of value and on goods-money relations. But we ought not to forget his words that "there is mathematical proof of the possibility to coordinate profitability and plan under any targeted function of che optimal plan." The scientist substantiated the need to develop democratic centralism in both directions -- the direction of enterprise independence and the direction of centralization. In actual fact, moreover, Novozhilov did not speak of what many people now perceive as the plan, but of "optimal planning which takes most precisely into account the economic laws of socialism.

Liberman: Since we have already touched on the subject of economic views in the past, let us not only give the credit due to Nemchinov and Novozhilov, who voiced ideas which are in total harmony with today's restructuring, but also treat on merit those who held the opposite views. Alas, during the stagnation period even books in luxurious bindings were often devoid of content. You will find in them anything you like, except ideas. The authors concealed themselves behind fences built from a selection of quotations. They displayed daring in just one direction: In abusing goods-money relations, repudiating the idea of taxes, and rejecting economic accountability [khozraschet]. Did they really believe in the mighty force of directive management of a vast country's economy from a single center? In the possibility of planning every single thing, ignoring the law of value? It is hard to say but, at least, this is what they wrote. They had a mortal fear of the very word "tax."

Lopatnikov: Some uninformed readers could be entertaining doubts: Is it a good thing to collect taxes from enterprises? It is said that state industry must place absolutely everything it produces and earns at the state's disposal. And the state will allocate to the plant the money it needs to pay wages and fund equipment, and construction -- why try to be clever by inventing taxes or something? I do believe that fewer and fewer people think in this way, even though the economic literature you mentioned confused people toan extraordinary degree. Public opinion is muddled on this issue. Therefore, let me say this briefly, just in case: Such views are a throwback to a primitive, free-loading mentality. It is not the state that has to "feed" the enterprise but, on the contrary, the enterprise that has to "feed" the state. To pay its tax which will go to finance the interests of the whole society -- defense, education, cutlure, health care, and so on -- and to finance itself in all aspects concerning its production and its collective. This is the meaning of complete economic accountability [khozraschet].

Liberman: Our economists feared the word "tax," and yet V.I. Lenin repeatedly wrote about the need for a flexible taxation policy in the national economy. He backed the draft produced by People's Commissar for Finance I.E. Gukovskiy on the retention of indirect taxation -- the so-called excise duties. Vladimir Ilich gave the following explanation to those who perceived taxes just as instruments of a capitalist economy and entertained doubts about their proper use in a proletarian state: Are rifles harmful? This depends on whose hands are holding them; exactly the same applies to indirect taxation.... This is how Lenin perceived the issue. And yet some of our theoreticians, with a persistence worthy of better application, took matters to the point of artificially constricting the sphere of monetary payments, which led directly to the economy's ruinous conversion to transactions in kind: The spread of all kinds of obligatory labor services, distribution of products according to fixed norms, and barter which was not only haphazard but frequently also downright illegal. What good came out of this "withering away" of monetary taxes?

Lopatnikov: While on the subject of enterprises' guaranteed right to spend at their own discretion the revenue remaining after making mandatory payments, I would like to emphasize right away that the collective also bears total responsibility for the results of economic activity. All the miscalculations and losses will be at your expense, dear comrades, and not to be charged to the state. But let us say it bluntly: Hitherto the dividing line between an enterprise's own funds and the state's pocket has been quite substantially eroded. At any given time the ministry could reach for a plant's profits in order to pass them on to, say, a laggard. Local soviets also dip into enterprises' revenues in their search for funds for the city, diverting them from workers' extraneous needs. And even financial organs do not always distinguish this dividing line.

Liberman: The draft Law on the Enterprise says that a collective's economically accountable [khozraschetnyy] income "is at the disposal of the enterprise, it is utilized independently, and it is not subject to expropriation." All these words have no genuine economic meaning, and therefore cannot guarantee anything. I would suggest a different formulation: "The economically accountable [khozraschetnyy] income is The property of the collective." Only thus will it be possible to overcome the dangerous attitude of treating the common wealth as belonging to someone else. Only then will the collective's material interest in its income swiftly put an end to all sorts of squandering, economic mismanagement, and embezzlement.

Lopatnikov: This is also linked to the question of the socialist market. Some of the writers of letters to LITERATURNAYA GAZETA which I have read are advocates of the "plan," others are chamapions of the "market." But the majority understand the diversity of the economy, realize that the most diverse factors are intertwined in it, and are disinclined to hold extreme, either-or-views. I would suggest that several types of enterprise be singled out and legalized. Let some of them formulate their plans entirely on the basis of state orders, others on the basis of consumer orders, and there could be a third -- a mixed option. It is evident that the methods of supplying resources could also be different -- from deliveries through material and technical supply organs on the basis of state protectionism (in the case of state orders, which I take to mean not any of the product range plans which are for some reason also described as state orders at present, but only the particularly important assignments involving defense or the development of new scientific and technical avenues) through to the independent acquisition of everything necessary via the wholesale trade channels. Briefly speaking, "plan" and "market" could be combined and intertwined in various ways within the economic system. The view that they are allegedly totally incompatible is just one of the stereotypes.

Liberman: Let me mention another stereotype: The tariff system. In actual fact it is not a means of centralization, as the textbooks say, but the cradle of planning "from achievements" and exaggerated reporting, in other words showcase (or ritual) centralization.

Lopatnikov: I would not be as categorical as all that. The FRG Labor Institute has 50 and possibly more scientific associates engaged on calculating labor normatives -- and these normatives are used eagerly and, you would appreciate, completely voluntarily by thousands of private enterprises. They pay considerable sums to the institute -- after all, a capitalist would hardly let even a pfennig go to waste. [paragraph continues]

In my view, our own tariffs and production norms -- provided, of course, that they are really scientifically substantiated -- could serve as guidelines for enterprises when they adopt alternative labor remuneration systems. Especially now, when it has been decided that wage increases are to be applied and funded to the extent of savings effected by the enterprise itself. On a voluntary basis, so that every collective can itself take into account its own potential and actual conditions. It must be clearly stated that, if a collective operates under complete economic accountability [khozraschet], this must also extend to its right to adopt the labor remuneration system which ensures its utmost operating efficiency. By paying the "industrial tax" it will also secure the interests of the whole state. In other words, this will be efficient not only for the collective but for everyone. What is there to be afraid of here?

Liberman: No, I am also against this type of central allocation, the central allocation of labor targets for workers within the framework of the so-called "standard tariff system" of wages. The normative on which this "system" is based (the working time norm or, conversely, the production norm) is distinguished by fundamental instability: A rate-fixer follows the worker step by step, chasing production norms on the basis of "achieved levels." Thus, people's higher labor productivity will, sooner or later, be remunerated at the same wage rate as their former, lower productivity and to slow down its growth. Yes, the tariff system came to us from the West and reflects certain values which are not so much alien to, but rather not totally characteristic of our system like, for example, Western individualism. The workers cooperative [artel] was much more typical of Russia. Inheriting its traditions, the team form of labor organization and remuneration is now spreading increasingly widely. It does not need any external monitoring by supervisors or rate-fixers. Some writers, advocates of self-financing and market development, have suddenly started claiming that all this is contrary to the team contract. In my view, they simply do not understand what we are talking about and fail to look into the essence of the contract. It provides the base for relations within a large economic unit (kolkhoz, plant, or construction trust), while the mutual relationship between this unit and society, the state, and the entire socioeconomic environment demands a broader choice of economically accountable [khozraschetnyye] ties. The tariff system is in its death throes. What is the point in trying to be clever in order to preserve a false external decorum and retain it in the future? I have had numerous arguments with advocates of the tariff system's "leading role" and I am convinced that it is nothing but a tenacious psychological prejudice. Meanwhile, actual practice frequently bypasses the tariffs. How? Through false and exaggerated reporting, which has been aptly named "figure padding."

Lopatnikov: Various specific points could be argued, but one thing is clear: Any radical reform of the economic system must certainly begin with a review and reassessment of prevailing canons and the demolition of stereotypes in economic thinking and mentality. This applies to the sphere of public awareness and people's spiritual life, and any restructuring of awareness and people's spiritual life, and any restructuring of awareness is particularly difficult and painful. The development of a suitable economic thinking is a complex and tortuous process. But it affects everyone. This is why passions have flared in the LITERATURNAYA GAZETA readers' letters which provided the basis for our dialogue today.

Liberman: The main point is to ensure that restructuring does not die away or get reversed. Nikolay Ilich Travkin, famous construction industry worker from the Moscow region, put it well at the 18th Trade Unions Congress: It is not a matter of whether or not to release the jinn from the bottle but of how to force it out. This is a task suitable for us all.

PERLAMUTROV ADDRESSES PLANNING, 'BALANCES'

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[Article by Doctor of Economic Sciences V. Perlamutrov under the "Polemical Notes" rubric: "How the Plan Should Be"]

[Text] At the beginning of this century, a well known Russian philosopher expressed the following idea: The reliability of any system is determined by its weakest link. If a column of infantry, cavalry, and artillery is moving along, he wrote, its speed is determined by the weakest link -- that is, the infantry. Or, as the Oriental proverb runs, the caravan has only arrived when the last camel arrives.

...Between 1960 and 1985 GNP increased 350 percent and national income increased 300 percent, whereas the amount of money in circulation in the national economy increased by 1030 percent. This means that we have a sharp imbalance between the basic sections of the economy. Why? Because traditionally, from the earliest 5-year plans, our state plan has been a plan "in kind": it has targets in terms of units, tons, and meters of output (and in terms of cost price), but no money targets -- finance, credits, or speed of ruble circulation. To take a simple, everyday example, can it be normal for a family to run a household while planning to "increase" the amount of its furniture, clothing, household appliances, and so forth, without planning income and expenditure?

It does not matter how many people there are at work in the large building between Marx Boulevard and Georgiyevskiy Lane. What matters is what they are busy with there: After all, the kind of national economic planning determines the what form enterprises' economic accountability [khozraschet] takes. The formal, pared down form of economic accountability matches this planning "in kind." Enterprises cannot have extensive independence or be responsible for the results of their work, no matter how much they try, when there are considerable imbalances in the plan.

The weak link in our economic mechanism today is the organization and technique of national economic planning. It is important to restructure that first of all, in my view, and many other links, too, along with it.

Since the late twenties and early thirties, when the present scheme of national economic planning took shape, there have been at least two fundamental changes in the economy: The first is that quantities in the economy have increased hundreds of times and in some instances thousands of times over, and the second change is that an unprecedentedly wide-ranging and rapid revolution has begun in equipment and technology. Planning, however, has remained unchanged in the main. The USSR Gosplan, as the central state organ of economic management, responded to all the changes in the economy solely by looking for "problem areas" everywhere except in the organization and technique of planning itself. Planning was always above suspicion. That was understandable: It is Gosplan which does the planning, which assesses plan quality, and which determines what is good and what is bad in the work of regions and sectors. The time has come to change that system radically.

So far, planning has been mainly a question of determining how much steel, footwear, machine tools, fabrics, and other goods to produce. For better or for worse, physical quantities for the production of various types of output have been interlinked -- in the main via a system of material balances -- and this predetermined virtually all the macroproportions of the economy. [paragraph continues]

Effective demand is virtually ignored. The result is that the production of some goods exceeds actual demand while the production of other goods falls below it. The discord within the trinity of products, money, and prices exacts from society a tribute in the form of surplus and irrational capital investments, excessive stocks of raw materials and semimanufactures at enterprises, and so forth.

During the scientific and technical revolution a new generation of equipment and technology is created every 7-9 years in the world. According to the USSR Stroybank's figures the commissioning of the construction projects already in progress (without beginning new ones) will take more than 6 years and in some sectors 9 years. This means that by the time current projects are ready for commissioning we could be one generation of equipment and technology behind. To prevent this it is necessary first and foremost to restructure the leading link of he economic mechanism -- planning. The problem in practical terms is to ensure that the quantity, product mix, prices, volume, and the speed of money circulation are closely linked in a single planning unit. That is the principal issue. I would even go so far as to say the only one.

In our view the solution is as follows. First, it is necessary to switch from balances in kind as the main instrument of planning to money balances of supply and demand. That is, money and prices must be "built into" the planning process. In so doing the task of planning is made more complex: Instead of deciding "how much to produce, where to produce it, and how much to give to whom," it is necesssary to settle a more important question: "how much to produce, where to produce it, and how much this will cost," on the one hand, and "how much the customer will be able to pay and how much this will cost him," on the other. The plan will then be able to reliably balance the physical and money elements of the economy. The way will be open to the long-awaited wholesale trade in the means of production -- when there is a match between commodity and money supply in national economic circulation it is possible (and thus necessary) to trade and not to "supply" on a ration card basis. Then it will not be the customers who wait in line but the producers who will worry about output sales. Then, and only then, will the slow coaches face the threat of bankruptcy and the plan will include only efficient technologies, machines, and equipment instead of everything as it does now, in a situation of imbalance.

Second, it is time to democratize planning. In practice this means upgrading the role of the Gosbank and the Ministry of Finances. In conjunction with the Gosplan they will shape the national economic plan. At the moment, however, Gosplan forces them to accept its particular preference for planning "in kind." It produces the plan and the Gosbank and Ministry of Finances allocate money to meet expenditure based on its decisions. But only he who plans can spend efficiently and only he who spends can plan.

As partners all these economic departments will be able to evaluate the plan options -- each one based on the specific features of his own work, his own share of the responsibility. The best form of the plan must be the one which takes account of all the (perhaps contradictory) requirements: goods, the money supply in circulation, and the dynamics and correlations of prices. Then the economic infantry, cavalry, and artillery will not be travelling at different speeds. Within the framework of a rigidly balanced plan it will be possible to give enterprises extensive independence: They will not need the daily tulelage of the ministries.

And finally. Territorial planning, I believe, is much neglected in our country. This, of course, should not be a question of replacing sectorial planning and management by regional planning but of combining them in such a way as to achieve the maximum efficiency of economic management as a whole by removing the gap between sectors and regions. How is this to be done? In our view by a clear differentiation between the functions of cooperating sectors and regions and their rights and responsibilities.

The general principle at oblast, kray, or other regional level must be that the value of social product produced must exceed production costs. Only then we can be sure that the oblast adds to the country's social wealth rather than eating away at it. At the same time, such a procedure will establish the firm material responsibility of local and all-union organs for ensuring the rational use of natural, labor, and production resources, not in the form of purely accounting and paper indicators but of real money additions to sectorial and regional incomes.

The USSR, as the representative of an entire society owning the means of production, delegates to the oblast and kray the right to control and dispose of a proportion of the economic resources. In practice this means that the sector uses land, water, labor, and a proportion of the production resources within the confines of the region on a payment basis. Payments for the use of resources are the main source of the budget incomes of local organs of Soviet power.

Such a procedure gives krays and oblasts a material interest in making the best use of the land, water, air, manpower, and productive capital of economically accountable enterprises and organizations. At the same time, when planning the location of production across the country, sectoral and intersectoral organs will not be able to ignore the fact that land, water, and so forth costs money and that consequently the return and effect of their use must at least exceed the amount of payment.

Planning decisions will then be implemented in the form of economic contracts for the lease of land set aside for production needs as well as of water and productive capital created from resources from the state budget, manpower recruited for enterprises, a profit tax to the benefit of local budgets, and fines.. The best economic result will influence the income of the sector (its enterprises) and of oblasts. Irrational economic management will reveal itself in the form of outright losses. The "gaps" in "sectorial-regional" relations is thus filled. For instance, the unique Fergana valley will soon have more chemical and petrochemical production units than it can handle -- there are some there already and it is planned to build new ones in it. Khorezm Oblast in Uzbekistan has a shortage of plow land but a surplus of manpower. Nearby there is land not being used. But that land is in Turkmenistan. Well, should it hand over its territory to Uzbekistan "free of charge"? But why must it be "free of charge"? What about if it were leased -- for payment? That is the economic approach. But that is what is needed if economic accountability is to embrace all levels of the economy -- sectors, regions, and enterprises.